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JPRS 81136

25 JUNE 1982

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Latin America Report

No. 2528



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LATIN AMERICA REPORT

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CARAZO INAUGURATES COROBICI HYDROELECTRIC PLANT

San Jose LA NACION in Spanish 21 Apr 82 p 4-A

[Excerpt] Over the next 5 years, Costa Rica will have "reliable and safe supply of electric energy," according to a statement made yesterday by Roberto Lara Eduarte, executive president of the ICE (Costa Rican Electricity Institute) during the inauguration of the Corobici plant in Canas de Guanacaste.

The official recalled that, since the new administration came in 4 years ago, the system of power lines and high-voltage transmission has been doubled. The administration also installed 50,000 mercury lights and tripled the energy output.

The inaugural ceremony was attended by President of the Republic Rodrigo Carazo Odio who expressed public appreciation to all ICE personnel for the work done on this plant.

He recalled that the project was successfully completed in the midst of the energy crisis and in spite of the delays in the Legislative Assembly.

He said that foreign borrowing to carry out projects such as the one at Corobici is necessary because it brings progress to the people.

"I am proud to have participated in this borrowing to improve the quality of life of the Costa Rican people. I am ending my presidential term and I ask God that the next administration may have the same opportunity of getting aid, as we were able to get it abroad, for wheat and oil, for example, which guaranteed the country a situation in which those products would not be in short supply this year," said Carazo.

Cost

The total cost of the Corobici plant comes to 2 billion Colons. The IDB financed this project to the extent of 30 percent and the ICE took care of the rest, with in-house funds and other financing sources.

The turbine which Carazo started up yesterday generates 58,000 kilowatts. The other two will become operational next June. In this way, the country will permanently have electric energy without having to use thermal power plants.

Corobici, which was begun in 1979, is the second facility to use the Arenal hydroelectric complex which at this time has a storage reservoir with a capacity of 1,200 million cubic meters, capable of producing 530 million kilowatt-hours in the Arenal powerhouse and 650 million in Corobici.

5058

CSO: 3010/1650

SOLAR HEATERS TO BE MANUFACTURED AS PART OF ENERGY PLAN

Havana GRANMA in Spanish 6 May 82 p 1

Article by Jaoquin Oramas

Text The shops of the SEGERE enterprise of Rancho Boyeros are in the process of setting up an assembly line for the production of solar heaters, and should deliver 2,000 of those units this year for use in public service centers and multifamily housing buildings as part of the ongoing nationwide efforts to intensify and systematize fuel economy.

Investigations and tests on the use of solar energy are being carried out in Cuba, and a search is under way for easily acquired and applied technologies relative to the manufacture of solar heat collectors. Within that context, it is estimated that our utilization of this source of energy will be limited for a time to the heating up of water for domestic use, or its application in public service and industrial centers in particular.

The development and construction of the solar heat collector prototype best suited to the conditions of our country and designed along modern lines was the joint undertaking of the SEGERE enterprise and the Refrigeration and Air Conditioning Institute. This heat collector consists of an absorption plate with pipes arranged in the form of headers [sic] and fitted with aluminum fins. The fins absorb the solar radiation, which they convey to the copper pipes to raise the temperature of the water flowing through them. The box, which has a glass covering the area exposed to the sun's rays, takes up a space of 1.4 square meters.

The heat collectors comprise modules of six heaters with a water intake and outlet system, an insulated tank and a supply tank. The SEGERE will produce 400 modules of this type this year and is getting ready to triple production of the aforesaid heat collector systems by 1983, according to Tito Elias Alvarez, technical assistant director of the enterprise.

Jesus Baluja Puente, chief of electrical and solar energy equipment development of the Refrigeration and Air Conditioning Enterprise [sic], stated that at present, they have completed two systems of six heat collectors each, which will be tested by specialists of the Ministry of Construction, and one other that will be kept at the enterprise to be subjected to wear and tear and other tests necessary for mass production.

He indicated also that the solar heat collectors that will be manufactured by the SEGERE, possibly starting in early June, will have a metal base and will be installed at a 30-degree inclination, in accordance with the latitude of our island, in order to give it the greatest exposure to the sun's rays.

The team of specialists of that enterprise developed a system of solar heaters which is being successfully used at this time at the Cayo Largo tourist center, site of a 59-room hotel where the solar energy collectors provide a substantial saving in the use of electricity.

8414

CSO: 3010/1611

ANDRES BELLO VENEZUELAN DELEGATE INVITES OTHER ANDEAN GROUPS

La Paz PRESENCIA in Spanish 18 May 82 p 8

[Text] Yesterday Venezuela suggested a joint meeting of all groups working to promote Andean integration, with the purpose of combining forces and giving an overall plan to this activity, which has been going on for over a decade. The suggestion was presented by Venezuela's education minister, Rafael Fernandez Heres, at the 11th conference of education ministers, which began yesterday in La Paz in keeping with the Andres Bello accords.

"We know there are obstacles and critical issues hindering the process of integration, but it would be helpful for us to have a joint meeting of persons responsible for sectors of the various integrative programs: the Cartagena Accord, the Hipolito Unamue agreements, the Simon Rodriguez accords and the Andres Bello agreement, as well as the Andean Development Corporation, as financial agent, should coordinate on the technical as well as political levels, in order to study the nature of the difficulties and define the best strategies toward bringing us together and helping us reach a higher level in the integrative process," the Venezuelan minister stated.

Fernandez Heres believes that the isolated efforts now going on could actually hinder the integration process. He said, "We all talk about integration and contemplate the benefits we would gain from a concerted effort in that direction, but the obstacles remain and those who are hoping for results must wait for a better harvest some time in the future," he said.

He called for deeper study into these problems "leading to the development of a strong political will based on the exalted principles of democracy and international social justice and on the search for and practice of a combined language of skills which will bring into reality the goals we are here to discuss."

One means Fernandez Heres considers useful toward developing this analysis is a joint meeting of agencies working for Andean integration. "I am convinced that in order to reach our objectives we must refine our sense of strategy, bearing in mind the limited resources and rising expectations. There are two points which call for urgent attention: the problem of financial resources for our activities and a method of combining our efforts in order to multiply their effect."

The Venezuelan education minister said he was hopeful that the problems confronting integrationists, and the Andres Bello movement in particular, can be overcome if the nations of the region generate ongoing research, as was done by the meeting which began yesterday in La Paz.

"I am sure that the analysis we are beginning today will enable us to make excellent decisions. I want that to be so and hope it is, admittedly with a certain anxiety, because personally I have been so close to the work of the Andres Bello Convention since its beginning," he said. "Our resolve remains firm, our cooperation enthusiastic and our faith unshakable in the goals of the accord which unite us and serve to honor the eminent figure of Andres Bello and to give witness of our solidarity with our brethren," he added.

The Venezuelan minister noted in closing, "On the eve of the bicentennial of the birth of the Liberator, speaking from this land which bears his name, we reaffirm our will to struggle together to reach the integrationist ideal of Simon Bolivar and Andres Bello."

11,989
CSO: 3010/1631

ANDRES BELLO CONVENTION STRENGTHENS INTEGRATION GOALS

La Paz PRESENCIA in Spanish 18 May 82 p 8

[Text] The Andres Bello Convention is growing more active day by day, and its plans are enormous, just like human potential. However, more resources and political power are needed if the convention's work is to develop, said its executive director, Eduardo Lorini Tapia. He expressed these thoughts yesterday during the inaugural ceremony of the 11th convocation of education ministers.

He noted that the group, now meeting in Bolivia, represents a will to continue promoting the effort to reach full understanding and a true integration of the nations which signed the Andres Bello accords. He said that in its ideological aspect the convention is the voice of Andean society in the process of integration; the protagonists are children and young people, who are the real beneficiaries of the process of integration and development.

He said that it is a modern system for a new society, a process whereby the nations will encounter each other anew through ideas and action in order to create a new form of society, living responsibly and in security. He stated that the process of integration is a revolutionary idea which leads to noble thoughts, full development, vigor and confidence. He stated that if the true interests of the Andean nations are combined, in a few years Andean America will be secure, with the structure of one nation, powerful, strong and competitive, serving as an example for other nations and regions of the world.

He noted that the convention, in just a few years, has reached a notable maturity and sense of historical responsibility because the participating nations are not advocating action which will serve the interests of one country alone, but rather are generating a political commitment to the Andean future. The goal of educational, scientific and cultural integration must be excellence, not mediocrity; this can be evaluated only when the efforts are crowned with success.

He said that he looks confidently toward the future and is convinced that the meeting begun yesterday will give rise to accords and commitments which will guarantee the continuation of the work accomplished so far. He said that in no way is it a sacrifice to work for such a noble cause as integration.

He added that the convention definitely does not represent a drain on public funds. Rather, it is a subsidy to the signatory nations, and the convention's financial solvency guarantees the fulfillment of its goals.

PERU, BOLIVIA REACH AGREEMENT ON TRADE, ROAD CONSTRUCTION

La Paz PRESENCIA in Spanish 18 May 82 p 8

[Text] With the approval of the findings and recommendations made by the working committees, the Second Bilateral Peru-Bolivia Conference was concluded last night. The meeting, held yesterday, included participants from government and from the private business sector in both nations.

The Peruvian and Bolivian delegations adopted various proposals in the following areas: roadbuilding, tourism, commerce, industry and integration. These will be executed in accord with the norms contained in the Cartagena Accords for such activities.

Regarding transport infrastructure, Bolivia agreed to construct the road between Desaguadero and La Paz, and Peru made a commitment to improve the road between Ilo and Desaguadero and to surface the Arequipa-Puno road with asphalt. Also Peru will improve the Ilo-Moquegua-Desaguadero road as well as the Ilo-Puno-Desaguadero road, which is already passable, and will perform other operations which will provide land connections between the two nations, especially in the border areas.

It was announced that Peru is negotiating with international organizations to obtain financing for the construction of a railroad between Puno and Desaguadero. Bolivia agreed to enter similar negotiations for the construction of a railroad between Desaguadero and Guaqui.

In the area of tourism various measures were approved which would tend to promote more visits between these nations. It was announced that on 24 July flights would begin from Cuzco to La Paz and vice versa. Also, in the very near future, notes will be exchanged between the two nations designating points of touristic interest. This plan was presented by Bolivia with the purpose of lowering the cost of air travel. Details will be spelled out on 28 May at the meeting of the Andean Airlines Association (AALA) to be held in Lima. The Peruvian and Bolivian representatives approved also the use of a single tourist card in order to ease travel for citizens of both nationalities throughout the two countries.

Also considered was a plan for construction of a five-star hotel in Viru-Viru, Santa Cruz, through the formation of a binational firm with financing from

the Andean Development Corporation (CAF) and from private sources. The minimum investment will be \$6 million.

At a press conference to be held at 8 am today, the findings and recommendations will be announced and the binational meeting's final statement will be signed. The Peruvian delegation will return home at 11 am.

11,989
CSO: 3010/1631

BRIEFS

NICARAGUAN DELEGATION VISITS GRANMA--Several representatives of Nicaragua's local governments are visiting Granma Province, seat of the central event to commemorate 26 July this year. They are touring sites of economic, social, cultural and historic interest. The delegation, headed by (Julio Marenco), coordinator of the Masaya Departmental Board, was received by Pedro Garcia Lupianez, president of the Provincial Assembly of the people's government. The visitors have also met with the representatives of several mass organizations, of the Union of Young Communists and with other provincial leaders. [Text] [FL072326 Havana Domestic Television Service in Spanish 1700 GMT 7 Jun 82 FL]

MEXICAN DEFENSE DELEGATION TO CUBA--Commander in Chief Fidel Castro held friendly meeting Friday night with the Mexican National Defense School delegation which visited our country headed by the school's director, Brig Gen (Vinicio Santoyo Feria). The meeting, which took almost 2 hours, was held during the official farewell ceremony organized by the Ministry of the FAR for the Mexican delegation which left for Mexico Saturday after concluding a learning tour of Latin American and Caribbean countries. Fidel expressed interest in the tour made by the delegation, their stay in Cuba and the courses taken by the students of the Mexican National Defense School. Fidel said he regretted that their short stay in Cuba did not allow time for their visit of other schools and military units. He said that a Cuban delegation, headed by Army Gen Raul Castro is now in Nicaragua, coordinating assistance to be provided to that fraternal country, which was hit hard, as Cuba was, by an atmospheric disturbance. I want to thank you very much for your visit, stressed our commander in chief. We are honored by your visit and the affection and friendship that unites us with our dear and fraternal people of Mexico, he added. [Text] [FL071725 Havana Domestic Service in Spanish 1045 GMT 7 Jun 82]

ECUADOREAN DELEGATION TO CUBA--Yesterday afternoon, Jesus Montane, deputy member of the Politburo and member of the Secretariat, received in his office a delegation of the Ecuadorean Revolutionary Socialist Party (PSRE) that is visiting us at the invitation of the Central Committee of our party. The delegation is headed by Victor Granda, secretary general of the PSRE, and consists also of Fernando Maldonado, who is in charge of the International Relations Secretariat of that organization. Matters concerning the relations between the Communist Party of Cuba and the PSRE, as well as the current international situation, were discussed during the interview. Jose M. Guerra, official of the America Department, also participated in the meeting on the Cuban side. [Text] [Havana GRANMA in Spanish 11 May 82 p 37 8414]

EMERGING ROLE OF AIR FORCE VIEWED

PY110206 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1920 GMT 8 Jun 82

[Report by Yofre Garcia]

[Text] Buenos Aires, 8 Jun (NA)--Before 2 April the air force had a 33 percent share of the power leadership, according to the official documents of the process. Nobody believed that the participation was in fact as equitable as was said in the documents, because in reality the air force seemed to rank below the navy which, in turn, ranked below the army. After the Malvinas were recovered, that ranking has been notably modified, for several reasons: Although during the recovery phase the air force did not play a predominant role, the archipelago's defense afterward rested mostly on the shoulders of the air force. To be fair, one must say that the responsibility was discharged by the officers piloting the war planes beyond normal limits in a manner praised and recognized inside and outside the country.

In addition to ability and prowess, the facts demonstrated the importance and indispensability of the air force in the future development of global strategy. All study centers in the world agree on this. As is natural, after this demonstration, the growth of one service branch implies--for reasons of equilibrium--the possible reduction of another branch.

Along with this purely military aspect, some air force officers have proven themselves to be quite expert in dealing with political questions both on the internal and external fronts. Three men clearly stand out in this regard: Basilio Lami Dozo, Jose Miret and Julio Cesar Porcile. The three, each one along separate although--supposedly--converging lines, have shown clear political objectives.

There has been interest in several places to tally up the number of interviews given and declarations made by Air Force Commander Lami Dozo, and in which he revealed a personality that up until now seems to have been hidden beneath the trappings of the military junta.

Miret, in turn, came to the fore first as the man with the economic alternatives by preparing some of the emergency plans and citing the names of economists; and then as the main spokesman for the three armed forces services in the negotiations with top Reagan administration and United Nations figures.

According to some analysts, that attitude of independence tends to reflect a change in Argentina's foreign policy which up until now was managed from Washington and New York through Gen Miguel Mallea Gil [military attache to the Argentine Embassy in Washington].

Porcile, in his post as labor minister, is credited with some maneuvers which ended up neutralizing coercive labor actions against the government. Although he participated in the decision to freeze salaries, he was the minister who insisted in the most on changing those measures intended to hold expenditures down.

Regarding the question of division in the Labor Confederation, the initial uproar by the "Brasil CGT" about some official preference for the "Azopardo CGT" is calming down because the labor leaders understand that the errors in leadership are their own, not the result of official formulations.

The elements noted above allow an understanding of the future impact of some of the compelling ideas that are bound to come out of the Condor Building [air force headquarters].

Lami Dozo did not discard a "coalition or convergence cabinet," thus opening possibilities for the group of civilians who are now writing a political document entitled "Civilian-Military Synthesis." Ricardo Yofre with the assistance of Mezzadri and Jose Maria Llados is responsible for this document.

The events that began unfolding on 2 April not only have moved another branch to the top of the ranking, but they also permit the emergence of a trend toward reorganization of the internal front, not only within the armed forces but also in the political arena. Such a trend will only end up by eliminating some irritating figures--like Roberto Alemann perhaps--and by gradually transferring the state's helm to civilian hands. Of course, these moves will generate countermoves, and so the stage is set for a struggle in the months to come among protagonists who are already totally characterized.

CSO: 3010/1698

COUNTRY SECTION

ARGENTINA

AIR FORCE CHIEF GENERAL LAMI DOZO DISCUSSES CRISIS

PM150837 Paris LE MONDE in French 12 Jun 82 pp 1, 6

[Interview with Argentine Air Force Chief Gen Basilio Lami Dozo by Jacques Despres: "It Is Ridiculous for a Socialist Government To Side With Colonialism"--date and place not given]

[Text] [Question] The Argentine people have demonstrated their patriotism but also their desire for peace. Do you think they are prepared to pay any price to keep the Falklands?

[Answer] What Argentina must win, above all, is the political battle, at a reasonable cost. If the cost was too high the country would have won a pyrrhic victory. It is true that the Argentine people love peace, but peace as a result. I believe that the reconquest of the Malvinas, by consolidating our identity, is helping us to solve the conflict between the love of the homeland and the love of peace which we inherited from immigrants who peopled the country at the beginning of the century.

[Question] When the junta took the decision to retake the Malvinas, did it foresee war with Britain? Did it think that its relations with the United States and the EEC would deteriorate considerably?

[Answer] By deciding to peacefully take back our southern archipelago, we responded responsibly and calmly to the provocation of the dispatch by Britain of the ship "Endurance" to remove a group of Argentine workers. If we had not reacted, that would have meant that we were abandoning our rights. Of course, the disproportionate attitude of Britain and the EEC and the completely extraordinary U.S. reaction then seemed like very remote possibilities although they could not be entirely ruled out.

[Question] How do you explain the fact that most Western countries stood up against Argentina?

[Answer] It is not true that the majority of Western countries are hostile to Argentina. The West also and, above all, includes America, where the movement of solidarity with us is growing daily more like an alliance uniting

virtually all the countries on the continent. The West also includes Spain and Italy. Let us be accurate. Those who have adopted a hostile attitude are seven or eight governments--I say governments and not peoples--in the EEC who have acted purely out of economic interests.

[Question] What do you think of the French Government's attitude?

[Answer] As an Argentine and a Westerner I value France. I like its history and culture. France, Italy and Spain are the great Latin homelands of which the Latin homelands of our America are proud. For France to be on one side and the rest of the Latin world on the other is one of the most painful paradoxes in this Malvinas affair. But for a socialist government to side with colonialism is completely ridiculous. Nonetheless beyond the public statements there are some facts which show that the French position may not be so far removed from ours as it seems: first, France has never said that it supported Britain's claim (to sovereignty) over the Malvinas. The other significant fact is that it abstained during the last security council vote.

[Question] The armed forces have fought the ideas of people's liberation formerly upheld by the guerrillas in Argentina in the name of Western and Christian values. Today they are at war with Britain in the name of anti-imperialism. Is that not inconsistent?

[Answer] As far as we are concerned there is no inconsistency. We have overcome subversion in order to save the West's essential values. However, there is total inconsistency between the fundamental requirements of the Western and Christian way of life and the aspirations of Britain and its allies to restore a colonialist system.

[Question] People are constantly saying that Argentina is now different from what is was before 2 April. What does that mean?

[Answer] I would not say that Argentina is different. Argentina is the same but it has matured. It has become adult in a very short time.

[Question] Is the Falklands war not likely to encourage the birth of a nationalist military regime drawing support from the masses?

[Answer] I understand why people should ask that question, especially if account is taken of our recent history. But I am convinced that, after the Malvinas conflict and what it has shown us, we will not repeat past mistakes. The days of cyclical situations in which governments were afraid of the people and the people afraid of governments are over once and for all in Argentina. What we want is a stable and pluralist democracy working according to the rules laid down by our national constitution.

[Question] Could Air Force General Lami Dozo be the man to lead the country to democracy?

[Answer] What I would like to say to you is that as soon as this struggle, which is that of all Argentines, is over, we must, as those responsible for the process of national reorganization and with the participation of all those in positions of responsibility within society, make every effort to achieve the Argentina which we have wanted so many times.

[Question] Surely it will be necessary to act quickly?

[Answer]. Undoubtedly. The time factor will be decisive. If we want to take advantage of the climate of national union created by the recovery of the Malvinas we will have to act with speed and dynamism.

CSO: 3100/743

COUNTRY SECTION

ARGENTINA

FOREIGN MINISTRY OFFICIAL INTERVIEWED

PY120115 Buenos Aires Argentina Televisora Color Network in Spanish 0100 GMT
11 Jun 82

[Undated interview with Ambassador Gustavo Figueroa, chief adviser of the Argentine Foreign Ministry, on the program "Tiempo Nuevo" by journalists Bernardo Neustadt and Mario Grondona, in Buenos Aires--live or recorded]

[Excerpts] [Neustadt] In order to heat up the atmosphere, Ambassador Gustavo Figueroa, I will say that when one sees this photograph one wonders, as Alvaro Alsogaray would say, is this not the kiss of death? In this photograph we see Dr Costa Mendez, who was praised in the Plaza de Mayo today, and Fidel Castro....

[Grondona] Now they call him doctor.

[Neustadt] Dr Fidel Castro. Now they call him doctor, as the tango goes.

[Grondona] Now they call you doctor.

[Neustadt] You are right. What do you think of this, Ambassador Figueroa?

[Figueroa] That is a very compromising photograph, of course. Fidel Castro's friends are also very likely wondering: What are you doing there with Dr Costa Mendez? What is Dr Fidel doing with Dr Costa Mendez? I believe that what Dr Costa Mendez did is something very important for Argentine foreign policy. I say this because, bearing in mind the nation's objectives and interests, Costa Mendez believed that the forum of nonaligned countries, where the Malvinas subject was going to be discussed, was an event he had to attend.

[Neustadt] I understand. But some persons are very much intrigued with this. For example, Julian Marias has warned not to flirt with the Third World. What does Gustavo Figueroa have to say regarding this warning?

[Figueroa] I believe that [words indistinct] called for by the interests of the country, one must go anywhere. And one must go there, as that old phrase I often use, without giving up an inch of our ideology. I believe that the

ideology of our armed forces, of our Foreign Ministry, of Dr Costa Mendez and of the Argentine people is a very well-defined ideology. Therefore, there is no reason why we should not have gone to Havana, to a very important forum where a subject of vital importance to us was discussed. We must give diplomatic support to those boys who left [for the Malvinas] as young boys and who will return as heroes. They are heroes already. They are the ones we must support. And if there is anyone who can be critical of Dr Costa Mendez from the political viewpoint, I believe that is valid because they have the right to be critical. I believe that Argentina can accept this, but it cannot accept anyone having doubts regarding the ideology which moves the Argentine people.

[Neustadt] As for two vetoes during the UN voting, one by Reagan, and one by Great Britain; that makes two vetoes. Now, the relationship is an unyielding one, it cannot be broken up.

[Figueroa] I believe that it can be broken up. To my mind, relations with the United States must be regarded from two viewpoints; relations from the viewpoint of nation to nation, and of state to state. Relations between the two nations are good, and they continue to exist.

[Grondona] Between the societies of the two countries.

[Figueroa] Yes, between the two societies. This includes relations at the level of universities, banks, and economic relations. These have not been severed. As for relations between the two states, they are weak right now. There are good reasons for them being weak. They are at the weakest point I can recall in the past few years. But I think this does not mean that they cannot be restored.

[Grondona] Entering somewhat the field of science fiction, I believe that we will be able to withstand this conflict and to persist in it. I am certain of it. But, where will the will of the other party break, on the part of the British because the Labor Party is against Thatcher, or in the link between the British and the North Americans. Where will it break first?

[Figueroa] I believe that it will break at some time or other, when the United States evaluates--it must be doing so now--its relations with Latin America.

[Grondona] The cost.

[Figueroa] Yes, the price the United States is paying....

[Neustadt] But, if they have not noticed this by now....

[Figueroa] But they must realize this. I believe that this is the first time that Latin America has jointly voted against a UN resolution at the OAS. That must have been a low blow for the North Americans. This is the first time Latin America has voiced solidarity for a cause that they have made their own.

[Neustadt] Well, Gustavo, it was a low blow, but on the following day Mr Haig said he was more friendly with the British than ever before, he denounced Argentina, and he concluded his mediation or his good offices mission.

[Figueroa] But I believe that the United States is reacting to this. Do not forget how the news was reported in the U.S. newspapers at the beginning, and how it is being reported now. I believe that at one time or other the United States will realize that perhaps they are pulling too hard on that string. [as heard]

[Neustadt] If it is not very unwise on my part, what is the situation of the U.S. ambassador to Argentina. I say this because the newspapers today surmised that he might be declared persona non grata, or that relations might be somewhat interrupted. I say this because the United States is almost a cobelligerent in hostilities currently being carried out. I make this point by saying that I do not want relations to be severed, but are we not close to this decision?

[Figueroa] No. I believe that we, the Argentines, are hurt to see that the United States did not adopt a prudent neutrality in view of the two treaties it has signed. A prudent neutrality would have been the most logical thing in this case. It is very difficult for us to accept that the United States should be supplying Great Britain with weapons and giving logistical support to it. All of this is being used against our people. However, I believe that in the field of international policy things are analyzed more coolly. This is what is difficult to make the people understand; those people who say how furious we are, why do we not sever relations, and so on. I believe that this is the easiest solution. I do not foresee, in the future Argentine policy, a policy which will not place priority in Latin America. I do not foresee this at all. And within Latin America, I believe the U.S. component will be a very important one.

[Neustadt] That is to say that in 5-years time we will be closer to Washington than to Havana.

[Figueroa] Yes, yes, I believe that...well I do not know really. It all depends on what is called for by the interests of the nation. Let us go back to Pearl Harbor, for example. Who would have thought that after the Pearl Harbor episode the Japanese would become the most important partners of the United States.

[Grondona] That is to say that the interests of a country control the actions that country carries out.

[Figueroa] I believe they do control the actions of a large country.

CSO: 3010/1709

MIRET COMMENTS ON OUTCOME OF FALKLANDS CRISIS

PY120005 Buenos Aires CRONICA in Spanish 11 Jun 82 p 2

[Text] Jose Miret, presidential planning secretary, harshly criticized international organizations yesterday when he said that "They are only at the service of the great powers."

Miret, a member of the Malvinas group which representing the armed forces continually advises Foreign Minister Nicanor Costa Mendez in all the negotiations concerning the Malvinas war, said that "They confused willingness to negotiate with weakness," in obvious allusion, at least, to British and Americans.

"No one is going to negotiate the blood of our dead," said the secretary. He spoke during a brief ceremony held in the planning office in the evening to celebrate with his personnel the day of the Malvinas.

Miret said that this "is the moment of a hard test" for the Argentine people who have demonstrated "their firm decision to go to war, not as aggressor but as defender" of sovereign Argentine territory.

He said that the people felt "irritated by the intransigence of an enemy country (Great Britain) which never recognized our sovereign rights."

The planning secretary said that "whatever the result of the war, Argentina has won." He emphasized that Argentina "has demonstrated to the world that the international organizations are only at the service of the great power" and that this country "has won because never has a developing country inflicted" on a colonialist, industrialized nation the damage which up to now Argentina has inflicted in the military field on Great Britain.

Miret said that "We are not interested in results" because "Argentina has already gained a position" in the world. He added: "Now everyone will know who we Argentines are."

Secretary Miret discussed another aspect of the victory by saying that a new awareness has awakened of the need to develop "our potential" and "without dependencies" from abroad. He advocated the development of the country "with a national sense" but "without isolationism." In conclusion Miret said: "The sacrifice made by our dead and young is worthwhile because a vigorous country is going to merge."

POLITICIANS 'UNCOMFORTABLE' OVER GALTIERI REMARKS

PY140849 Buenos Aires LA NACION in Spanish 10 Jun 82 p 8

["National Politics" column: "The Postponement"]

[Excerpts] The political statements made by General Galtieri on journalists day have placed the party leaders most committed to the idea of an imminent and easy understanding between the civilians and the military in an uncomfortable position.

On that occasion the president said, without beating about the bush, that the government has established no schedule and that only after the approval of the party organization law and the ensuing election of new party officials, "will it be found whether better conditions are at hand to continue advancing with the institutionalization process of the country."

A few days before, Galtieri had visited Dr Roberto Alemann, a gesture which can only be interpreted as a backing of the much-discussed policy of his minister.

And to complete the picture of this unexpected return to the purest orthodoxy of the early days of the national reorganization process it was learned yesterday from a good source that the government was making an effort to include regulations in the party statute which favor the parties which have been supporting it from the beginning. It was said that to this end it had reportedly been stipulated that the enrollment figure required for the forming of parties in the districts be reduced to three per 1,000.

This question, relegated to an unobstructive second level, half-concealed by the emergency of war, was thus revived through the confirmation of criteria which more than one civilian leader believed to have been finally buried by the new situation created on 2 April.

In principle, the postponement of expectations contained in the president's words called forth expressions of dissatisfaction among the most representative men of the moderate sector of the multiparty group.

A radical leader told LA NACION: "It is inconceivable that today the military government should again talk of objectives without deadlines."

In turn, the politicians who have always showed themselves skeptical about the government's will to reach an agreement, only found in Galtieri's statements another confirmation of their forecasts.

A first consequence of these facts came the day before yesterday when the five leaders of the multiparty group decided to immediately start drawing up a short and concrete national plan which might be revealed to the public in the middle of next week.

In circles close to the group it was asserted yesterday that the proposal will be concise and based on two principal demands, essentially contrary to the president's recent definitions: a modification of the economic policy and the establishment of a precise political schedule.

Furthermore, the document will be addressed to the whole nation, not to the military junta, which would mean, among other things, that the plans to formally tender the proposal to the government have now been abandoned. A spokesman said: "So far, the junta has given no sign of being willing to call for a dialogue of any importance."

Even Admiral Massera, who is limited in his political action for the duration of the war because of his status as a former navy commander, yesterday emphasized the need to loyally respect the rules of the game dictated by reality and declared himself in favor of "a solution legitimately arrived at without cheating, among the military power and the parties, unions, employers and other power factors."

CSO: 3010/1709

FORMER COMMERCE SECRETARY VIEWS ECONOMIC SITUATION

Buenos Aires CLARIN in Spanish 16 May 82 pp 5, 11

[Article by former (1977-81) Commerce Secretary Alejandro Estrada: "Limit Imposed by Awareness of a Shortage"]

[Text] An economic system varies fundamentally from peace to war. The intensity of the change depends on the type of economic system that prevailed during peacetime, as well as on the seriousness of the conflict that must be confronted.

For example, the differences in system between war and peace in a country such as the Soviet Union are not very significant, because its peace economy also consists of preparation for war. There, the individual decisions are quite limited. The 5-year plans establish what and how much to produce, consume, invest, etc. On the other hand, in countries with a basically market economy (private ownership of the means of production and free prices), the changes that a conflict can bring about are major.

Fundamentally, the difference consists of the fact that, when the war starts, the entire productive effort is aimed at victory. The state must insure the attainment of this goal, transcending the freedom of individuals. It may do so in one way or another but, in the end, the production will be devoted to military equipment or to goods that are internationally exchangeable for such equipment. The per capita civilian consumption level must decline. This is inevitable.

Hence, one is struck by the fact that some regard a war economy as a Keynesian-type economy, wherein the demand rises, business owners can sell their products readily and employment increases. There is no doubt that the goods useful for military purposes (directly or indirectly) will have a greater demand than under different circumstances. But the other productive activities will have a more deteriorated status. I consider this essential to explain, because one hears certain statements, as if the war economy were a suitable mechanism for growth and prosperity. I believe that the examples from the last world war clearly prove that consumption decreased during the war. One must have the maturity to accept the challenge, but also to accept its consequences.

Mixed System

Our economy has a mixed system. Its features are the coexistence of a private sector with another that is public, and also the existence of various institutions to regulate private activity (Central Bank, Meat Board, Sugar Directorate, Military Manufactures, Grain Board, etc.).

Within the public sector there is the government and the enterprises. It is obvious that the state holds great power for acting on the market, which it exercises for certain purposes. During peacetime, the regulatory machinery is in operation. It has not been a machinery in the service of a consistent ideology, but rather a machinery to benefit the interests which the circumstances (not the ideas) demanded.

Now that partial interests must yield to the national interest, these institutions and the state will engage in direct or indirect action to attain the priority goal. Perhaps for the first time we shall see all the regulatory mechanisms operating on behalf of a general and not a partial interest. Hence, the difference between a peace and a war economy in Argentina will be fundamentally the fact that the regulations will be less sensitive to the influence of sectorial interest. The new aspect will not be the regulations, but rather their purpose.

The Limits

I also consider it necessary to explain that economic or material limitations exist during wartime as well. Some have a false notion that, when there are difficulties, the resources arise. It is true that, for a cause such as the present one, we Argentines are willing to withstand a great deal of privation; but one can never give what one does not have. Therefore, it is indispensable to economize on the resources and to have a clear awareness of the shortage which is the factor limiting our material objectives in both peace and war. There are limitations and, after a certain point, they are impossible to surmount. Intelligence and skill can accomplish much, but there are limits. During the last war, the richest countries felt the shortage, not only in civilian life, but in the military action itself. Military action is subject to conditions and limits.

Hence, to think that inefficiency is more tolerable in wartime than during peacetime is a contradiction. The great question is how to maintain and increase civilian productivity without losing output in military activity. The regulations (which replace the market) must be highly effective in order to be justified.

The Measures

Essentially, these measures are comprised of new regulations aimed at replacing what the public would do if it were to pursue its own advantage. In the area of exchange, they are intended to "protect" the reserves, so as thereby to

make military use of them. One might well ask whether the protection that is being sought will be achieved with these controls. An attempt is being made not to use foreign exchange for civilian purposes, so that the BCRA [Central Bank of the Argentine Republic] will not have to sell part of its reserves. We must immediately question why the Central Bank has to operate in the market, not making it necessary for those who need foreign currency to obtain it from those who have it available. Only in this way is there a certainty that the reserves will be untouchable for civilian purposes. This would be merely the floating of the exchange rate. Only in this way would the exchange rate have the price that reality will force sooner or later. With these measures there is no longer any rule known of on the exchange market. It is only known that the difficulties that the BCRA may have in maintaining the value of the peso may be the reason for a new devaluation. This insecurity has effects on the interest rate.

Another set of measures is related to the taxes and subsidies levied on exports and the import duties. This course of action has been adopted with the idea of improving the trade balance and increasing exports.

The belief underlying the order that has been given is that the wet pampa (in agricultural production) has, from a relative standpoint, the greatest productive efficiency that can be attained in Argentina. This is not the time to explain my disagreement with this old, traditional belief, which has done so much harm to Argentina's overall economic progress. I only wish to point out that these measures are not of a short-term nature, but rather are based on a complete concept.

This devaluation and the other fiscal measures affecting foreign trade are founded upon the fallacy of the "compensated" devaluation. In short, I do not agree with these measures, because I think that they will not modernize the productive system nor solve our balance of payment problems. Therefore, they will not contribute to greater civilian productivity, the only means whereby the war would prove less burdensome.

As for the guarantee of deposits, in my opinion it is not the major cause of the high interest rates; but this does not imply that I am unaware of their having some effect, but only a marginal one. I believe that a monetary and financial system should be established to have money and interest rates at the international cost (if it were lower it would be impossible from an overall standpoint).

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CSO: 3010/1681

NEW ECONOMIC ALTERNATIVES FORESEEN

Buenos Aires CLARIN in Spanish 16 May 82 pp 10-11

[Article by Jorge Schwarzer: "Financial Predominance and External Sector"]

[Text] One of the most important changes that has occurred in the Argentine economy in recent years stems from the growing influence of financial activities on the external sector that has minimized the role of commodities. Actually, the predominance of the former has become so great that one might say that there has been a qualitative modification in the country's economic relations with other nations. This change is partially reflected in the size of our foreign debt, and has had an impact as appreciable as it is little known on the flow of the balance of payments.

It all began in 1976, when the government's policy attempted to give an incentive for the entry of financing capital from abroad through manipulation of the exchange rate. Its first measure consisted of keeping the peso-dollar ratio stable for nearly 9 months, despite the runaway inflation of the period. The financial dollar remained fixed at 250 pesos (which it had reached after the unbridled speculation of the previous period), whereas the commercial rate (manipulated through the withholdings for exporting) slowly approached it.

Under the conditions of extreme constraint on our commercial balance experienced at that time, this policy brought surprising results very quickly, allowing for both the reestablishment of reserves and relief on that front, at least until the arrival of the harvest and the recovery of grain exports. The gains for the takers of loans in dollars were extremely high (to be sure, so long as they resold them in pesos on the domestic market in the interim); and they proved that, given a certain profit rate in dollars, one could procure a massive influx of speculative capital from abroad.

Resorting to the Method

A couple of years later, that experience resulted in one of the collateral attempts at the now famous "exchange guideline." It was simple. The Central Bank established a trend in the exchange rate obviously lower than the expected inflation and by no means higher; so that it was again offering reasonable guarantees of high gains for the capital in foreign exchange. The expectation

proved correct; the returns from the flow of dollars arriving in the country exceeded 40 and 50 percent per year during 1979 and 1980. This was profitable for the speculators, that is, for those who withdrew before the devaluations which began in February 1981.

That massive capital income had no productive goal. it was the cause of the ostensibly inexhaustible reserves amounting to \$10 billion proudly flaunted by the economic leadership in those years. The large financial flow lent an image of strength that would have by no means been achieved, during that period, by a massive effort in the realm of exports of goods. The financial reactions were more rapid, powerful and effective over the short term than the commercial activity.

The opposite also held true. When the risk of a devaluation began to be sensed, that capital fled the country. The \$10 billion in reserves evaporated like water under the blazing fire of speculation. It had appeared inexhaustible for our current commercial operations; in reality, it was meager for the dimensions acquired by the financial flow with foreign countries.

The predominance assumed by the financial sector in our foreign policy has created a new factor in the economic alternatives. Starting then, the decisions on the exchange rate have had to take into account the need to balance the financial activity, as well as the goal of exporting more.

Hence, it is now a matter of paying the foreign debt or, what is equivalent to it, reducing the egress of foreign exchange to the maximum extent.

This has been the real epicenter of the economic policy since mid-1980. The mere suspicion of a devaluation brought about a massive flight of capital. On the other hand, the maintenance of parity curtailed exports and encouraged purchases abroad. To devalue or not to devalue? This Hamlet-like dilemma was confronted in 1981, through the creation of two markets which, under new conditions, readopted the criteria applied in 1976. But the lack of confidence continued, and the authorities were forced to apply more forcible measures.

In April 1982, there was evidence of another attempt to separate the financial exchange rate from the commercial one, for the purpose of reconciling the demands of both markets. The measures are being enacted against the principles of the economic team, and with the pledge that the difference will be eliminated as soon as possible. But it is also a fact that they are being enacted under remarkably favorable conditions, to prevent the egress of foreign exchange, owing to strict control.

The facts show that the predominance of the financial sector on the external front is not fleeting; its existence poses considerable restrictions on the freedom for maneuvering of the economic policy in the real sector of production and commercial transactions. The double exchange rate has evoked strong reactions in financial and exporting circles. The single exchange rate does not allow for a balance in the system over the short term, and the discussion is continuing with one great loser: real production.

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CSO: 3010/1681

BANKERS COMMENT ON ELIMINATION OF BANK GUARANTEES MEASURE

Buenos Aires CLARIN in Spanish 16 May 82 p 12

[Article: "'Cleaning' of the Market for Greater Concentration"]

[Text] "A system which generates high interest rates backed only by the government guarantee is congenitally weak and covers up crime," declared Minister Alemann a few days ago, with his customary harshness. Nevertheless (in the opinion of countless analysts), the high interest rates have been based on the monetary focus of the balance of payments, the "little table" and, more recently, a decidedly restrictive monetary policy. The weakness of the system is germane to an economy which is not growing and which has for the past 2 years borne a recession without any prospects of being reversed. And, finally, the temptation to commit crime because a deposit guarantee exists might well be curbed by a complete, preventive exercise of power on the part of the Central Bank examining office.

However, it should be noted that a decline in the guarantee for deposits, such as the one that has occurred, is taking place under circumstances marked by a severe cut in production and in the context of a program (according to the official announcement) of accelerated abolishment of the state coverage. These strategies are aimed at a banking concentration, without any of this insuring a reduction in interest rates, the tool for reactivation.

Most of the economic agents (even those identified with liberalism) have been, and still are requesting a pragmatic attitude toward the instability in which the nation's economy is developing at present. Nevertheless, the economic team has preferred to opt for orthodoxy. Despite the tension that exists on the financial market, a measure which is causing an increase in the risk has been adopted. Over the short term, the aversion toward the risk entailed by a better deposit guarantee will bring about a decrease in the supply of lendable funds.

Yet in the circles most closely allied with the minister of economy it is argued that no examining office is possible with 450 financial entities. And, furthermore (it is admitted), a good examining office would have reduced, but not eliminated the problems. The only alternative remaining is the total abolishment of the guarantee, with the sole exception of the deposits of small and medium-sized savings account holders.

This proposal acknowledges (at least implicitly) that the recent reforms contained in the Law on Consolidation of Financial Entities are insufficient to control the difficult situation in this market. The economic leadership argues that the Treasury is paying very high costs for the liquidation of the entities which become irrecoverable after ceasing to comply with the prescribed technical relations. The "cleaning" of the market (which the Palace of Finance advocates without concealing it), in the framework of the present law, entails major costs and too much time. Even in the instances wherein crimes have taken place, the Central Bank arrives when there is no longer anything to be done.

Hence, according to the government's account, the only solution is to put an end to the guarantee. Assuming a 10 percent reduction per month, at the end of 8 months the deposits of over 100 million pesos will assume the risks completely; and the government guarantee will continue to be in effect for those under 100 million pesos.

As the coverage of the deposits decreases, the financial system will become concentrated. When the risk increases, the savings account holders will transfer to the entities that offer them greater security. So long as the adjustment process lasts, a "gentlemen's agreement" (as one high-ranking ministry official termed it) will keep the state and foreign banks from taking in more deposits than the ones they have had up until now.

The expedient is intended to avoid a polarization preceding the abolishment of the guarantee. Furthermore, the foreign and state banks would not set their rates to compete, but rather to maintain their supply of deposits. The rest of the entities comprising the area to be concentrated (which, in the end, will be composed of the traditional banks, as is anticipated in the Ministry of Economy) will compete for deposits with higher interest rates on deposits.

On the other side of the counter, major business and financial sectors do not even want to imagine what might happen during the adjustment process. The business debt (as a result of the economic policy implemented since 1976), the constant refinancing of that debt as a requisite for survival, both for the business firms and for the financial entities, the indexing through circular letter 1050 and the constant oscillation of the interest rate owing to its link with the quotation for the dollar (all of this in the context of a recession that is already 2 years old) have made up an explosive mix.

Upon the initiation of the process of abolishing the guarantee, the economic team disclosed its intention of bringing about a conclusion to the episodes that have been accumulating recently. The "cleaning of the financial market inevitably entails the adjustment of the real sector of the economy.

Surely a high-level policy decision could prompt the Central Bank to discharge the regulatory role that the situation requires.

Adamo: A Risky But Necessary Decision

"The current political and economic circumstances may not be the best suited for drastic changes, but it is also valid to admit that certain very deepseated

changes cannot be made in normal times; hence the decision adopted by the government seems to me to be risky, but justifiable."

In the view of Carlos Adamo, vice-president of the Bank of Boston, the reduction in the guarantee is risky because it could cause runs against certain entities which "would compound the pressure already existing as a result of withdrawals of deposits, considering the public's marked preference for liquidity under the present circumstances." After noting that this dangerous quality "could be mitigated with suitable measures" such as the preservation of the lack of liquidity on the market, the establishment of an expeditious, realistic rediscount system and the actual improvement of the examining entity that would make it possible to foresee these problems (among other points), Adamo stated that, "The justification for the measure results from the enervating fact of always arriving late and being able to do nothing but pay debts with a minimal recovery of assets." The banker subsequently remarked that the justification of the measure is not only "an ethical one toward Argentine taxpayers," but also toward "the honest entities who, if this situation should continue (he added), might end up with their image harmed by the widespread nature of criminal cases."

Cairolí: Erosion of the National Banks

CLARIN ECONOMICO was told by Dr Ricardo Cairolí, in commenting on the measures ordered by the economic leadership, "Other administrative and financial remedies to foster the liquidation of weak entities and contribute to the reduction of interest rates would be far more viable and effective." He declared: "This short-term type of decision does not take into account the state of competitive disadvantage of the Argentine private financial entities against which the abolishment of this insurance will have to act. Hence, pursuing the opposite course of action adopted by the United States and many other countries with major financial development, one can readily predict (he added) that, in the near future, the Argentine entities with the greatest volume (especially the banks) will emerge successfully and even profit from this confrontation. But (he explained), later on, if the necessary adjustments are not decided upon in the regulations that are in effect, they will give way to the advancement of the foreign banks, to which the present financial system has opened the doors of the domestic market to an extent unrecognizable in any other country in the world. So, the attrition of the Argentine banks (he cautioned) will make them yield to the advancement of the foreign ones through explicit legal means or with the aid of undisclosed subterfuge."

According to Cairolí, we shall then reach "the final chapter of erosion at a rate increasing geometrically, wherein the reconsideration of this same issue will become unavoidable."

Aguilera: Issue Raised With False Dilemmas

Adolfo Aguilera told CLARIN ECONOMICO: "This issue is usually raised in terms of false dilemmas, which pit the existence of the guarantee against the possibility of reducing the interest rate or that of avoiding violations of the laws and regulations which regulate financial activity. The monetary policy has two alternate goals: it either chooses to regulate the interest rate, or

it sets out to control the amount of money." He then commented that, "For rapid, decisive action aimed at reducing interest, it is a necessary and sufficient requisite to gear the goals of the monetary policy to that end, without the guarantee system." With regard to the violations that would have been made possible by the existence of the system, Aguilera said that backing for deposits "is one of the most fitting means at our disposal for insuring the monetary stability of a nation"; adding, "To deprive ourselves of the tool would mean not only exposing the economic and financial activity to serious risks, but also losing another valuable mechanism for control." He said: "I am referring to the control the market automatically yields over each of the lending entities to prevent the exploitation of monopolistic advantages. The abuses and violations must be severely penalized through a zealous exercise of policing authority in the financial sector. The economic authorities have all the legal and technical means at their disposal for performing the examining task efficiently."

2909

CSO: 3010/1681

REFLECTIONS ON POSTWAR DIRECTION, REALITIES

Buenos Aires LA PRENSA in Spanish 26, 27, 28 and 29 May 82

[Articles by J. Iglesias Rouco]

[Part 1, 26 May 82 pp 1, 7]

[Text] In anticipation of the final outcome of the battles now being fought in the Malvinas, Argentina should now prepare itself for the postwar period which, as is logical, will be not easier than the prewar period. Today, however, we have an instrument we did not have before: a certain spirit of national cooperation or, if you prefer, of truce or of attenuation of sectarian confrontations, of sublimation of group interests to the common good.

We must, therefore, attempt to give definition to that "good"--constituent "good"--among all others through a system of mutual concessions and with the understanding that only by coming up with an initial platform acceptable to all, every ideological, economic and social sector will it be possible to pursue the platform's particular objectives without nullifying the efforts or condemning the aspirations of the other sectors, that is, without bringing the whole country to the brink of civil war, as has happened up until now. Of course, this formula doubtless calls for an initial system of consensus, or, at the very least, points toward the ultimate, namely democracy based on a right, the right to freedom. The only alternative for the country is dictatorship, which in turn constitutes the absolute negation of this scenario.

Obviously, if we Argentines wish to entrust our way of life--or as Ortega put it our destiny--to a political structure which to a certain extent expresses not so much the needs but the will of all, then a dictatorship has to be rejected in advance, whether it be of the left or the right (in reality every dictatorship is of the right, particularly a Marxist dictatorship, as in addition to imposing a specious [artificioso] option, decreed by a minority, it subjects the individual and the social body to abstract and reactionary objectives inasmuch as these objectives reject their historical nature or "adapt" it to the designs of that minority). Therefore, we are left with democracy and, in an immediate way, that first phase of the provisional consensus through which we must pass in order to attain it.

The purpose of this and other articles will be to present a number of basic ideas--or at least in our opinion they are--which are in no way exclusive, to set out on that road. We know little, very little about anything; but we also believe that we must seek the truth and that when the truth is encountered, it is best that we continue to seek it. In a few words: we merely wish to penetrate reality and take advantage of signs which will permit us to move in the proper direction. In the final analysis, we are only proposing that we reflect on reality.

Foreign Policy

For obvious reasons, no matter what the outcome of the war, the so-called foreign front will be most delicate for Argentina for quite some time, as it is beginning to sum up not only our place and opportunities in the world of today but also a large part of our domestic problems and, consequently, their possible solutions. All the time and effort we now devote to this matter will always be too little.

When we observe this war, the first thing that strikes our eye is that it is the result of one decision--the recovery of the Malvinas--which was made almost exclusively by the military chiefs and which, in a way, took the country by surprise, as few persons--and we find ourselves among those few people--believed that an undertaking like this had been considered and might finally be translated into deeds. Many high officials had almost no inkling of what was on the drawing board, including some who found out about it after the plan had been put in operation. However, alongside this circumstance there is another of the greatest importance: immediately after the event became public knowledge, the vast majority of the country, if not the entire country, got behind the action, that is, they approved it and made it their own.

Thus we did not witness, as London would have us believe, an adventure of the dictatorship but rather the expression of the general Argentine will. We must remember that this will took on greater resoluteness as it was exposed to the shortages of war and even subsequently conditioned that attitude of the authors of the idea. Because of these factors, this reality has now been elevated to a position above the temporal ups and downs of the confrontation and its short-term effects; the war is "per se" a responsibility shared by the entire nation, vis-a-vis the world, and also vis-a-vis itself. From the historical viewpoint and evaluating its consequences--good, bad or indifferent--from this perspective, these are almost insignificant, in spite of the great sufferings and troubles which may be endured, which are being endured.

In our opinion, this is the principal fact which should be extracted from the conflict at the time of postwar analysis to the extreme that every action which does not take it into account, whether that action be taken by the government or any other national civilian or military sector, will be condemned to fall into the void. It will be impossible to do anything without considering what has already been done in the Malvinas and without accepting that as a profound manifestation of the search for right by all the Argentine people, the right to be and to have what is their due. No country large or

small will be able to do anything in relation to Argentina without taking the Malvinas into consideration--and surely no country will even try to do so. Whether we like it or not, our immediate prospects, inside and outside the country, are linked to those islands. To deny their significance would be the equivalent of denying ourselves and even more so if that denial is resorted to, as has happened, in an effort to obtain a sectarian advantage, a change of compensation.

Tomorrow we will attempt to determine what we can do or refrain from doing on our foreign front, in consonance with this historical key.

[Part 2, 27 May 82 pp 1, 6]

[Text] The information and lessons we are gathering from the Malvinas conflict will obviously become decisive factors in our foreign policy in the early postwar days, particularly in relation to the United States and the Church. Our interpretation of these lessons and information will determine whether or not we go on suffering from the extremely serious isolation which today, among many other things, is hampering our legitimate action in the archipelago.

News of the Pope's visit to Great Britain caused a great stir here, as was to be expected, perhaps not of the same dimension but of the same motivations and scope as the shock caused in April by the American decision to support Great Britain which was all the more painful because of the "assistance" or mediation provided earlier by Mr Haig. Now, with respect to the Vatican, the same thing is happening as with Washington: many Argentines immediately felt betrayed, without stopping to think that the Pope's projected visit to London and its objectives--the reunification of the Christian churchs, or at least the creation of a new mode of understanding between Anglicans and Catholics--like the American alliance with the British, in a manner of speaking, are older than our war with Great Britain.

Irresponsibility

However, what is most serious about that initial reaction, which to some degree can be explained--now somewhat softened, moreover, by the report that John Paul II will "also" come to Argentina--is the echo it produced in representative political sectors and even in public opinion which immediately busied themselves with the task of harassing the Church, including a threat of breaking with it. In this regard, such an attitude was the same as that which sprang up at the end of April, and continues to spring up--and this among the highest organizations of the regime--namely that the American "betrayal" should be "answered" by Argentina with a marriage to the Soviet Union. And all of this without even knowing whether the Soviets really want to marry us or only take us as lovers, that is, induce us to break prior engagements. In short, in too many Argentines a dangerous tendency to act in a completely irrational way like deceived husbands is being observed, brought about perhaps by our romanticist culture and aggravated by the dramatic circumstances we are experiencing. Apparently the war with Great Britain is not enough for us, and we wish to wage one with the United States

and the Church at the same time. That is something the USSR has been machinating for many years, without making up its mind to do so.

Good Sense

Fortunately there are still some remnants of good sense. Mr Costa Mendez, for example, to whom we must say a few things once the war is ended, the night before last had the good sense to suppress several paragraphs of his speech before the Security Council, which made reference to the alleged complicity of Washington with London to control the South Atlantic and even to the installation of a military base on the islands. We have already concerned ourselves several times with this subject, with the cautionary aspects thereof, although in truth there is no lack of rather serious indicators recently given credibility by London itself which permit us to think seriously about such a possibility. However, it is one thing . . . a humble newsman to speak, to whom few people listen, moreover, and quite another for the minister of foreign relations of a country for which the United States and its complicated, voluminous interest in Latin America and the South Atlantic could still represent a trump card of great usefulness. Fortunately, as we have stated, Costa Mendez became aware that those paragraphs of his speech would make a difficult fit with the initiatives which Washington was making in London and in the Security Council in favor of the resolution approved yesterday. Perhaps such a resolution only supposes a simple military tactic, including a trap; however, it could also contain an honorable solution for Argentina and could even be in accord with some of its principal objectives, to the extent that the resolution forces Great Britain to withdraw from the region and negotiate with Argentina. In any event, nothing will now be lost--we would almost say the opposite--by trying this route; and what is certain is that the idea would not have prospered without American support.

Realism

Yesterday we said that neither foreign--nor domestic--policy will be possible without first taking into consideration 2 April and the absolute participation of the people in this event and in those which followed. The imperative need for realism and the problems and suffering which its lack has caused us, particularly in this war, have to constitute the second important fact with which we will have to deal in the postwar period. Recognition of reality and its acceptance to the degree we are unable to change it have to be substituted here for the mere expression of desires.

For example, with the Church we still have to resolve the Beagle case and with the United States we have to begin talking again, whether we like it or not, among other reasons because it occupies a large part of American territory, is a great military and political power and generates the principal financial and technological resources of the world, which both we and the Soviets need. On the other hand, we believe only that realism--the little bit of realism remaining--can prevent the bloodshed of our courageous compatriots who are defending us in the south, certainly not parochial ultranationalism or irrational plans. Our first duty is to those men and to the fundamental interests of the nation, not to posturing or high-sounding words.

In this regard, it also seems plausible to us, and even a good example of deliberation, that the government has allegedly decided not to call upon the signatories of the TIAR [Inter-American Reciprocal Assistance Treaty] to comply with Article 3 of the treaty. Relatively few nations of the hemisphere would be prepared at this time or in a position to openly intervene in the war. On the other hand, we have much to gain if we preserve the political capital we have already won in Latin America, whose diplomatic support in this affair will be of service to us--and has already been of service to us--in dealing with the Americans.

In summary: our initial objective in the postwar period, on the so-called foreign front, should be to break our isolation, to which end it is necessary first and foremost to recognize contemporary realities and seek the possible options among them. In other articles, we will examine the what, how and when of the options.

[Part 3, 28 May pp 1, 4]

[Text] For almost 2 months, we have been at war with the whole world; and for the moment, everything indicates that the war is not much to its liking. The fact that Argentina had to raise a military and political front against half the universe--and in a certain way against the other half, at least to keep it from absorbing us--clearly demonstrates that with or without reason we do not have the political space we are due on earth, not even to express our most unquestioned rights, such as those which should be accorded to us in the Malvinas.

In our opinion, that is one of the facts with which we must deal most carefully during the postwar period. Victories or defeats, whether military, economic or cultural, will do us no good so long as the rest of the world does not accept us. On that point, it will be of very little importance whether such rejection of us be in the name of law, reason or force, or that we invoke the law, reason or force to prevail, or simply to survive. In other words: we will be and will have what is ours to the extent this "being" and "having" are consonant with the contemporary world. Looking at things from this viewpoint, if things are not going too well for the world today in its war against Argentina, that means things are not going well for Argentina either. The same thing will happen in the postwar period and afterward.

Need for Negotiation

From this comes our insistence upon the need to prepare ourselves, after military victory or defeat, to resolve the Malvinas conflict and any other conflict which may break out in the future through negotiation. Our action on 2 April was justified precisely because Great Britain was using its power to impede those negotiations and thus to block a mandate of the United Nations. The military initiative was, therefore, for the sole purpose of forcing Great Britain to respect our rights and international law. In this regard, our 2 April decision was very similar--except for distances--to the decision made by the Allies vis-a-vis Nazi Germany in 1939. Consequently, anything that goes

beyond this objective will in the end be unjust and dangerous. And we think that today this goal has almost been attained. In fact, no matter who wins the current battle of the Malvinas, the international community--including London, although grudgingly--will only be able to negotiate this problem in an integral manner, in accordance with UN resolutions, which was just what we were demanding. We also believe that our victory will be total if within a few days Mr Perez de Cuellar, with the concurrence of Great Britain, proposes interim administration of the islands by the United Nations, accompanied by Argentine and British "observers," and talks at the United Nations, or in its Secretariat General, until a final solution is achieved. No matter what the military possibilities of either side may be, under such conditions the continuation of hostilities would be entirely without advantage for Buenos Aires or for London. Not for Buenos Aires, because at this juncture the only thing left for us is to declare war on God Almighty and also because in the event we win the war we would have to take charge of a world filled with contradictions and scars (Costa Mendez has already done a great deal for us, but we doubt that once heaven and earth are taken care of he will also be able to have discussions with the gentlemen of Hades, in spite of his recent experience with Washington and London). Not for Great Britain, because even with an Argentine military disaster and our forced withdrawal from the archipelago, it would be obliged to transform that territory into a bastion, at unbearable economic and diplomatic cost. And this without considering the fact that after this scandalous war it could also be impossible for Great Britain to carry forward its so-called plans for "dialogue" with Chile and the United States on the islands, behind Argentina's back, if such plans exist.

Scant Possibilities of Accord

For now, it seems most unlikely that London is ready to reach an understanding through the United Nations or at least that is what our government believes. Therefore, it will be necessary to continue the war to the end, or until Washington understands that Argentina in any event has won the political battle--apart from any military results, not excluding a British victory--and then decides to stop London's stupid colonialist offensive. However, we repeat, we have to continue the war only if Perez de Cuellar fails to present a plan which imposes UN administration during future negotiations and British withdrawal. And if this happens, if the secretary general fails, Argentina will, so to speak, have to continue the war after the war, even though the British forces defeat us now. There is another fact in this--certainly a provisional fact--which will condition our upcoming postwar period, as will the other facts we have set forth.

Other Facts

In this column, I have far from exhausted the elements of judgment and decision which we will have to deal with after the battle in relation to the so-called foreign front and the problem of the South Atlantic. We will also have to keep the following points in mind:

1. Mr Lums, secretary of NATO, has just acknowledged the fact that the "navy" situation is "deplorable." Argentina has already proved that it can wage war with dignity but can also put the world's number three military power in a tight spot, not to mention the fact that the latter is being helped by the world's number one military power. Such a circumstance will be translated into an unquestionable international prestige factor, to the benefit of this country's future political action, particularly in Latin America. If Buenos Aires makes this prestige available to the Latin American countries, it will recover part of its lost leadership role in the region. Logically, the reaction of Brazil, which also has pretensions to such leadership, will not be long in coming, with the consequent difficulties.

However, if Buenos Aires directs the hemispheric thrust after the strategic recomposition of Latin America vis-a-vis the United States, and particularly as regards the most sensitive regions here for the Americans, such as Central America, Brazil, Chile or any other country on the continent, the United States will be forced to adapt its policy to this current--perhaps with a view to supplanting Argentina in the leadership role in the future--and in that way Buenos Aires will for a time retain its preeminence.

2. The current anticolonialist impulse in Latin America emphasizes, among other things, the change in international legal mechanisms. And this war has revealed a legal monstrosity: the veto power of any belligerent on the Security Council, provided it belongs to the small group of the "five big powers." Therefore, it is necessary to revise the UN Charter by means of an express proviso. There is no better government than the Argentine Government to head a movement in favor of that revision. In turn, this movement will consolidate the above-mentioned anticolonialist thrust on the continent in the political and diplomatic sectors.

3. The excellent professional and moral comportment of the Argentine Armed Forces during this conflict in part has changed the deplorable image of their chiefs abroad and thus offers them hitherto nonexistent possibilities of "a way out" in the international context. However, whether or not they use this way out will depend upon their immediate political behavior on the domestic scene.

4. In the face of the political remnants of the organization of nonaligned countries, today in the hands of Havana, this conflict has demonstrated that there is a broad Third World spectrum--apart from Latin America, of course--which at this moment does not have adequate legal and political expression. If Argentina now goes to Cuba "to subordinate itself" to what remains of the old Third World, the components of that spectrum will continue without leadership and will become factors of international disequilibrium, including factors harmful to Argentina. However, if Buenos Aires or another Latin American state, or the entire hemisphere, assumes the leadership of that group and attempts to channel it toward a new alliance with the West--now impossible because of the American attitude but perhaps feasible after the war--and to create a new form of dialogue between the "North" and the "South," or between developed and underdeveloped countries of the East and West, a new organization of world political power will be established, free of the head of

the West properly speaking (United States and Europe) and also free of the group of nonaligned countries now being used by the USSR, an organization which although initially modest could break the current format of international relations to the benefit of Latin America and Argentina.

[Part 4, 29 May 82 pp 1, 6]

[Text] The outcome of the present battles with the British forces in the Malvinas does not at all mean the end of the fight with Great Britain for possession of the islands not even in the event the "marines" are able to occupy Puerto Argentino and our men have to abandon the territory for a time. The same thing would happen if British troops and the "navy" were now to suffer a defeat. The way things are, the conflict tends to be prolonged in an indefinite way by all sectors, without excluding the military, although perhaps after this stage it will preferably be conducted in the political and diplomatic arenas. With regard to the so-called foreign front and the general problem of the South Atlantic, this is probably the principal fact to be extracted from the present military confrontation. Therefore, it will decisively condition our immediate postwar policy; postwar period, we repeat, which in reality will only consist of a provisional military ceasefire--and not even that is certain.

Naturally, such prospects derive not only from the British determination to recover the administration of the archipelago, against every right, but also the presumed intention of London to establish a military base there in cooperation--the better word is collusion--with the United States and perhaps with the indirect support of one or several Latin American countries. Yesterday, sources at the British Defense Ministry once again openly made reference to that possibility, which shows among other things the absolute contempt with which London and Washington are viewing the current mediation of the UN secretary general and the resolutions of the Security Council. Reportedly, there is a definite intention of setting up a Western strategic defense structure without counting on Argentina and to the detriment of its basic interests in the region.

The Beagle

As anticipated, the simultaneous negotiations in the Vatican on the Beagle are proceeding smoothly. According to our sources, in the last few days noteworthy progress has been made in Rome toward a peace treaty between Argentina and Chile, which would perhaps include what in diplomatic circles has been described to us as "definitive specifications" for the resolution of the southern litigation. According to the draft treaty under preparation, sovereignty over the disputed islands would be awarded to Chile, although possibly only with a "dry coast," that is, with jurisdictional waters of 6 to 12 miles. In this way, the troublesome plan for the "sea of peace" would be eliminated. This "sea of peace" was provided for in the papal "proposal" of 12 December 1980, which as is known was the focus of many of Argentina's objections. All that is left to know is to what degree the system of "collaboration" envisaged for both nations for the sake of "perpetual peace" will or will not make possible Chilean participation in the exploitation of

the resources in that region. However, we are assured that the new treaty will clearly reaffirm the so-called two-ocean principle in such a way that Chile would obtain no "egress" to the Atlantic, at least from a legal standpoint, from this understanding.

Attention is still being drawn to the fact that the progress being made in Rome has coincided with British military operations and with the Pope's decision to visit Argentina. Will the Holy Father's blessing in Buenos Aires serve to put an end to the battle for the Malvinas or soften its effects here and at the same time to allow the Vatican to conclude its mediation with a certain amount of success? We will soon know.

Will Illia Talk with the Pope?

For the moment, what is considered to be true by various local political sectors is that the contacts made by John Paul II with the highest officials of the regime will not be overly profound, although the president and the other commanders surely will attend the religious services and will perhaps have some talks with the head of the Church. However, it so happens that the Pope will receive representatives of lay Catholic organizations and organizations which defend human rights. It is also thought that he may grant an audience to a politician. In this regard, the name of Mr Illia turns up with considerable persistence. One of his colleagues is said to have taken action toward this end or to have received indications from the Catholic hierarchy with respect to such an eventuality. However, as late as yesterday there was still not word as to whether the interview could be firmed up because of the little time scheduled for the Pope's visit.

On this point, it is worth recalling the latest reports on the internal situation of the radical party and the possible accession of Illia to the presidency of the party. Inside and outside the UCR [Radical Civic Union] there has also been much talk of a government of "notables" headed by Illia. So far as we know, the former president is still keeping himself totally "aloof and disinterested"--we were told this again yesterday--in the internal maneuvering with respect to the UCR presidency. He also is keeping a similar although more considered attitude toward the idea of a civilian or "notables" government, in the latter instance perhaps due to the confusion prevalent in all sectors (for its part, the government reportedly does not consider that idea feasible nor is not ready to carry it forward however much in some areas there is thought of accelerating the "democratization" process in the first few days of the postwar period). As for the Pope, it should be noted that Illia spoke with John Paul II in Rome 2 years ago, after having talked with Mr Moncayo and Monsignor Samore.

Common Latin American Front

When this edition went to press last night, the signatories of the TIAR were at the point of finalizing a statement which is very harsh toward the United States and Great Britain. It is expected that the document will receive the support of 15 or 16 nations (over two-thirds). Several Latin American governments, headed by Venezuela and Peru will also give military aid to

Argentina (arms and airplanes)--to be exact they will continue to give aid but in greater volume. The common front of the continent and our country has no doubt been made stronger than it was during the previous vote, barely a month ago, and this circumstance, as we indicated a few days ago, also constitutes a significant fact for our postwar foreign policy.

However, after the war, the continuation of the present Latin American solidarity will depend upon our location in the context of the great blocs--we never get tired of repeating this. If we now open our doors to the Soviet Union, most of Latin America not only will distance itself from us but also very likely will turn against us. Therefore, Washington and London are speculating nowadays with great insistence on the so-called "Sovietization" of Argentina. They know perfectly well that we have not yet asked Moscow for anything; however, they are harping on that point. Obviously, they want to isolate us from our neighbors, just as they isolated us from the rest of the West. They now want to reduce our defense capability against British aggression; however, even more they are trying to tie our hands for the future. Certainly, they will succeed in doing so if we show by means of external or internal actions that we are prepared to introduce the USSR on the continent. In that event, Chile, for example, and Brazil would become very active enemies of Argentina and thus Washington and London would be able without difficulty--above all without the "difficulty" of Latin America--to consummate their "security pact" in the South Atlantic, including the military base in the Malvinas. Our continental territory would then run the risk of being dismembered and the blood and effort of our brave soldiers today will have been lost in vain. Perhaps we would be stripped of what we had prior to 2 April and of all we have gained since then.

This, too, has to be a very important fact for the postwar period.

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CSO: 3010/1637

BRIEFS

SORGHUM TO VENEZUELA--Buenos Aires, 9 Jun (TELAM)--Venezuela has completed an agreement with Argentina for the purchase of 60,500 tons of sorghum. Additional negotiations are underway in other sectors such as vegetable oil, food for children and petrochemical products for approximately \$70 million. This report was released this afternoon to reporters by Sebastian Allegrett, chairman of the Venezuelan trade delegation which has been in our country since Monday. Allegrett released the report after a lengthy working meeting with Industry Secretary Elvio Baldinelli; Jorge Caminotti, under secretary of foreign trade and regional integration, and Industry Under Secretary Jorge Cervio. [Excerpt] [PY101610 Buenos Aires TELAM in Spanish 0415 GMT 10 Jun 82]

CAL APPROVES BUDGET--The bill on the Budget of Expenditures and Funds of the Nation for this year received a definitive decision from the Legislative Advisory Commission (CAL) and was submitted to the Executive Body for promulgation. It was learned that the proposal from the Ministry of Economy did not undergo any change by the advisory agency, and therefore the figure of 140.5542 trillion pesos was maintained for outlays, accompanied by a need to finance (a deficit) of 18.8227 trillion pesos, which represents 1.93 percent of the gross domestic product. On 6 May the bill had arrived for analysis, and was described as one of "major significance"; and, last week, the CAL held a special meeting because, it was claimed, the national authorities had expressed an interest in having that legal instrument available as soon as possible. At yesterday's plenary session, a definitive decision was also forthcoming regarding the bill which establishes "a special type of tax administered by the entities authorized to operate in foreign exchange, which will have an effect on the net exchange positions as of 4 May 1982." This regulation also originated in the Ministry of Economy. [Text] [Buenos Aires LA NACION in Spanish 28 May 82 p 12] 2909

CSO: 3010/1681

CCC SUPPORTS COUNTRY IN DISPUTE WITH GUATEMALA

Belize City BELIZE SUNDAY TIMES in English 9 May 82 p 7

[Text] The Caribbean Conference of Churches has come out strongly in favour of Belize in its territorial dispute with Guatemala, and has urged regional leaders to consider declaring the Caribbean a zone of peace. The CCC's position on these and other major issues--was expressed in a series of resolutions which the ecumenical movement's Continuation Committee adopted at a recent meeting in Trinidad and Tobago. The Belize resolution noted that the former British-colony's self-determination and territorial integrity were threatened by unrest in Guatemala, the boundary dispute and the civil war in El Salvador.

The Committee--the second highest body in the CCC after its General Assembly--expressed full support for Belize, denounced Guatemala's refusal to recognise the country, and deplored its proposal to establish military installations in Belizean territory. In urging regional leaders to consider proclaiming the Caribbean a zone of peace, the CCC expressed concern at the growing militarisation of the Caribbean. The Continuation Committee also called for the creation of formal structures for the peaceful settlement of disputes and said the CCC should try to get observer status at the next CARICOM Heads of Government Conference. The question of foreign aid also occupied the attention of the Committee which urged a restructuring of such institutions as the International Monetary Fund and the World Bank to ensure meaningful contributions by Third World countries.

The Committee condemned racial discrimination, and authorised the CCC staff to research racism in the Caribbean and disseminate the information to member churches.

The Continuation Committee called on regional governments to plan and develop tourism so it benefits the entire population. It also called for education programmes to make Caribbean peoples aware of the negative and positive aspects of the industry.

Members also called for efforts to protect the culture, morals and whole fabric of society from potential damage by tourism.

CSO: 3020/135

'UK HAS NO INTENTION TO LET NATION DOWN,' SAYS UK OFFICIAL

Belize City BELIZE SUNDAY TIMES in English 9 May 82 pp 8, 9

[Text] The Secretary of States for Foreign and Commonwealth Affairs, Mr Cranley Onslow, has said in the House of Commons on Wednesday, May 5th, that the United Kingdom has no intention to let Belize down. He said the British Government was watching closely and listening carefully to what was being said by the new crime in Guatemala.

The Secretary was being questioned in Parliament regarding the British Government's current relations with Belize.

Mr Onslow said that Her Majesty's Government "enjoys excellent relations with Belize." Mr Robert Atkins, an opposition MP, asked if the Government agreed that now more than ever, the threat to Belize from Guatemala should be taken fully into consideration and if so, did the Government share his view that the policy of keeping British forces in Belize which costs a mere 4.4 million pounds and are wanted by the Belize authorities to protect their interests should be pursued with vigor? He asked for an assurance that the forces will stay for as long as is necessary.

In reply, Mr Onslow said that the British Garrison remains in Belize. No decision has been taken on a date for its withdrawal. It is the hope of the British Government that in due course the new Government in Guatemala will have discussions over the dispute with a view to achieving a final and peaceful solution. So far the new Government have not shown any disposition to do so. There are no clear signs as yet how the new Junta will approach the (territorial dispute it has with Britain).

Another MP, Mr Denis Healey, asked for an assurance that the Government will not withdraw the forces presently committed to the defence of Belize until everyone is satisfied that there is no further threat from the Government of Guatemala.

Mr Onslow, in reply repeated that no date has been set for withdrawal. The factors mentioned by Mr Healey "are obviously relevant to any decision that we may take (in other words) as long as there is a threat to Belize, Britain will have to take this into consideration in making any decision about the defence guarantee it has given Belize. Sir Frederick Bennett pressed the Minister by asking that was it not highly relevant in the context of the event of the

Falkland Islands that immediately after the invasion of the Islands by Argentina, Guatemala stepped up its articulate demands for gaining Belize? Sir Frederick said, " I am asking not whether the Government is prepared to give a date, but whether if the British troops remain in Belize, there will be no lack of universal acceptance by the House of the full efforts and determination to ensure that Belize is not let down at the last moment." It was then that Mr Onslow said, "we have no intentions to let down Belize."

CSO: 3020/135

COUNTRY SECTION

BOLIVIA

BANZER'S ADN WANTS TRANSITION GOVERNMENT

PY092205 Buenos Aires LATIN in Spanish 2044 GMT 9 Jun 82

[Report by Juan Javier Zeballos]

[Text] La Paz, 9 Jun (LATIN-REUTER)--The rightist National Democratic Alliance [ADN] headed by former President Hugo Banzer demanded today the formation of a transition government to move Bolivia to an effective and orderly institutionalization.

In a letter addressed to the interior minister, the ADN said that moral authority must be restored through the formation of a government of national conciliation with the participation of the armed forces and the representative political forces.

The ADN, which placed third in the frustrated 1980 elections, presented its proposal at a time when the military government is pushing forward a program for democratization of the country.

The ADN said that it will not appoint a representative to the special commission while the country is in the present situation. The government is calling for the creation of such a commission which will lay down the basis for the program of democratization in conjunction with the armed forces.

The program proposed by President Gen Celso Torrelio Villa drew an avalanche of protest over measures it adopted recently in order to cope with the critical economic situation and the reluctance of the main political leaders.

The ADN letter was submitted almost at the same time Col Mario Vargas, former labor minister under the Banzer government, was placed under house arrest, and at the time that negotiations to end the strike of transportation workers have practically failed.

Colonel Vargas surmised that his arrest was ordered because of the observations he had made to the high military command about Bolivia's and the Bolivian Armed Forces' bad image abroad.

Alleged security agents searched the headquarters of the drivers' federation today and arrested about 15 union leaders who wanted to continue with the strike of transportation workers which began 10 days ago.

The police reported that several incidents took place at the headquarters of that federation where taxi drivers and bus drivers had a gunfire over their discrepancies regarding the strike.

The owners and drivers of public rural and urban transport buses decided to strike demanding the cancellation of the government's decree that established the foreign exchange free market. After the union decided to continue on strike, the government accused the leaders of involvement in subversive activities.

CSO: 3010/1710

FALKLANDS CONFLICT EFFECT ON OAS DISCUSSED

La Paz HOY in Spanish 4 May 82 p 2

[Editorial: "The Future of the OAS"]

[Text] We must express the profound national displeasure over the conflict of Argentines and British who have engaged in open hostilities. First of all because it involves Western nations, and second because these events took place in territories situated in the New World.

We disagree with the attitude taken by the government of Mr Reagan of having exchanged the neutral position of his country for that of the compromised party, although not as yet contributing military forces to the serious confrontation. We believe that its moderating action and strong continental influence would have been more constructively used in preventing the warlike escalation.

Concurrent with this situation is the simultaneous repudiation that took place of the OAS decisions. Its consulting body met at a high level, agreed to execute albeit passively, the mechanisms of the Inter-American Reciprocal Assistance Treaty [TIAR] of Rio de Janeiro. We remember that in at least two opportunities, when threatening incidents swept the Caribbean area--that included Cuba and the Dominican Republic--Washington invoked its force which united the hemispheric nations in common intentions and goals.

Comparing these problems with those that exist now in the same regions and those that could spring up in other points on the continent, we find that in the future there will be intense disagreements and, as a consequence, under such provisions, the security that TIAR intended to defend will not function at all, and it will function with difficulty under others that might be proposed. Latin American uneasiness will not be eliminated for a long time.

In addition, the very existence of the OAS has been compromised and harmed, as can be construed from the general reaction of the countries of the area. We think the century-old organization will not easily recover and find the motivations that justified its existence. This existence was attained through patient endeavor and "good neighborliness" earned by its members in many circumstances.

Of course, we don't advocate the repudiation of the law, or the proceedings that have been established so much in the OAS as in other international organizations, for the peaceful solution of conflicts. Undeniably it is for that reason that they were created and to overlook them is a gross error. But it is no less another grave error to undermine the credibility of the continental entity; more so when, on the world horizon growing antagonisms are outlined, whose closest examples are situated in Central America.

Above all, we maintain the hope of a just and swift solution to this conflict taking place in the South Atlantic, between two nations of similar cultural background.

9989

CSO: 3010/1516

BANZER COMMENTS ON POLITICAL CLIMATE

La Paz HOY in Spanish 21 Apr 82 p 12

[Text] Conditions are not favorable for a new coup in the country, said Gen Hugo Banzer Suarez, former president of the republic and leader of the political group, Nationalist Democratic Alliance [ADN] before leaving for Buenos Aires.

The former leader on being consulted about the uprising of a group of military men who are asking for the resignation from the presidency of General Torrelio said "I don't recognize either institutionalist or generational factions in the armed forces. For me the armed forces are one and an insurrection of this kind has no validity."

He also declared that he does not think a coup d'etat could take place at this time, indicating that neither he nor the people desire it, nor does he think the armed forces in its entirety, above all in the lower echelons of the military hierarchy are disposed to support and favor a coup.

Gen Banzer Suarez said that it is evident that the present government is confronting serious problems emerging from economic measures promulgated, as well as by the high percentage of immorality reported by the press.

He indicated that at present the government of Gen Torrelio is passing through serious difficulties and must remedy all the immoral activities so it can re-establish internal confidence, otherwise they are approaching more problems and the serious danger that progress might be interrupted in any way.

Referring to the meeting sponsored by the leader of the National Revolutionary Movement [MNR], Victor Paz Estenssoro, Banzer declared that the Nationalist Democratic Action party has approached with much subtlety and insight, making contact on secondary levels of the party structure, and with other political organizations searching for common ground in order to overcome dissent.

He said that the dialogue with Paz Estenssoro in La Paz was to approve what they had discussed, or rather to find points of agreement in the analysis of national unrest.

Later he explained that ADN was the first political party whose offices sponsored a convocation to attain a large national accord that could resolve the serious problems that confront the country.

He asserted that they declared themselves in this direction, not only in this crisis opportunity, but on electoral occasions where there had been firm agreements with political parties that were ideologically close and lamentably could not come to any acceptable agreement so that they wouldn't remain in this situation.

Gen Hugo Banzer Suarez, accompanied by his wife, Yolanda Prada, left today bound for Buenos Aires on what is said is special business, being seen off at "El Trompillo" airport by friends and political bedfellows.

9989
CSO: 3010/1516

SOUTH ATLANTIC CONFLICT RENDERS TIAR INEFFECTIVE

La Paz PRESENCIA in Spanish 3 May 82 p 3

[Editorial]

[Text] The British attack on the Malvinas and the political and "material" aid that the United States is offering particularly to Great Britain leads to some unavoidable conclusions.

The first of these is that the Inter-American Reciprocal Assistance Treaty--well known lately by its initials TIAR--can be considered dead. That is the reality although it is more likely, facing the possibility of retaliation, that no formal denunciations will be voiced by Latin American countries.

We do not believe that treaty has been expressly against Latin American interests. Inclusively, in definitive circumstances, it could have been favorable, perhaps even with up to 20 percent of the benefits they could obtain. The other 80 percent favors the United States and her Western allies. Actually, as events have demonstrated, TIAR does not have as its real objective the protection of all America against attacks from outside the hemisphere, but to set a threatening limit on any Soviet attempts. The treaty does not say that, but it is interpreted that way by the one who carries the baton in the pan-American orchestra: The United States.

The proof we have is what is happening in the Malvinas.

If it had been a Soviet attack and inclusively if such a position had been merely manifested as a threat, TIAR would have become immediately effective and inter-American defense would have been put first with subsequent requests or demands made by the United States that our countries offer a common defense in an atmosphere of maximum cooperation. But since the attacker is Great Britain, the treaty is left completely aside. Not only American defensive cooperation collapses but the United States gives political and material aid to Great Britain to kill Latin Americans and attack our countries.

If anyone believes after all this that TIAR continues in effect, we will have to conclude that we live in a world where reason is of no use.

There is another aspect that is equally serious.

The United States attempted to mediate. This position presupposes at least two conditions: that the mediator be impartial, and does not become an ally of one of the disputing parties. It was believed, for a while, that both conditions had been taken into account, although there were already reports indicating that the United States passed on to Great Britain data on Argentine military maneuvers, obtained by satellites. It was thought that a balanced position had arisen out of an antecedent: that the United States had contracted similar obligations with both parties; with Argentina through TIAR, and with Great Britain through NATO. Lamentably, for a spirit of confidence--which the events have demonstrated was excessive--lost from view was the traditional bond between the United States and Great Britain, and the greater importance relative to Latin America, which that nation gives to her European allies.

The Department of State, through its chief, Gen Alexander Haig, proceeded to propose some formulas for settlement. Great Britain did not accept them and nothing happened. Argentina rejected them and then the truth became evident. The United States is proceeding to apply political, military and economic sanctions against our sister republic. Instead of enforcing TIAR is disregarding it and lending diplomatic and material assistance--probably bases, provisions, information and equipment, although no direct intervention in the military operations at least at this moment, to Great Britain. In other words, with TIAR in effect, a hemispheric country is giving aid to a country outside the hemisphere so it can attack an American country.

The contradiction can not be more evident, and one must come to the conclusion that it is necessary to say the definitive goodbye to TIAR because it is dead and although still formally considered in force, there will be none who believe in it and in the sincerity with which it was formulated.

To that, one must add another contradiction. TIAR is essentially anti-Soviet. But if, now, the Latin American countries and especially Argentina feel abandoned by the United States and Western European nations, what can they do in order to rely on a minimum of defensive measures? What will be the only considerable source of support to which they can have recourse? Will the answer be in accordance with the intentions of TIAR?

9989
CSO: 3010/1516

'PRESENCIA' SUGGESTS GUIDELINES FOR CONSTITUTIONAL REFORMS

La Paz PRESENCIA in Spanish 28 Apr 82 p 3

[Editorial: "Constitutional Reform"]

[Text] The government has decided to convene a constitutional convention to be in charge of, as is its essential duty, writing up reforms to the constitutional text now in force.

That initiative has been noted by several political groups. However such a position has to be understood as justified. Criticism has been voiced from the political point of view questioning the timeliness of the measure and the competence of the de facto government to launch the above mentioned convention. But, as far as we know, no one doubts that the constitution has to be reformed. This is the basic question and it is so urgent that it would not be at all uncommon, taking everything into account, if the convention concludes without accomplishing it, the first elected congress resolves to become an assembly that revises the constitution--as has already happened at various times in our history.

One way or another it is fitting to repeat what we have sustained continuously: constitutional reform is a difficult and complex task and must be prepared with time and dedication if we wish to avoid repeating errors arising from last minute improvisations and haste. It is necessary to prevent what might appear in the heat of the debate, those sudden "inspirations" that cause a breakdown and real confusion in the revision of what functions as the law of laws, and for that reason deserves to be treated with extreme care.

In the long reformative process that must begin as soon as possible, it is necessary to take several steps.

The first consists in establishing what will be the aspects deserving reform. We begin with the belief that a totally new constitution will not be written up, but amendments and additions will be introduced to the one now operative. But it will not simply be a question of pointing out by guesswork which are the desirable reforms, but analyzing the reasons why the alterations or changes are necessary. They must contemplate with care not only the doctrinal and theoretical aspects, but the education by experience that we have undergone in recent years.

Having established the points that must be reformed or eliminated and the vacuities that must be overcome, an analysis will take place of the new texts in order that they be as clear and precise as juridical science makes possible.

It is fitting here to make a reflection about that juridical science, for it is curious what happens, in general, with all the social sciences, where most of us feel like experts.

It happens in daily life that once we have consulted the doctor or surgeon to cure an ailment, or an engineer for whatever construction project, we give advice to friends who find themselves in similar situation that we have overcome with the help of professionals. But no amateur is inclined to perform a surgical operation or design the plans for a bridge: it is recognized that these are fields reserved for especially qualified people.

But in the social sciences, every one is accustomed to thinking that some reading and experience is enough to acquire sufficient authority to face and resolve any problems. That is a very common error among us: because of that in parliamentary sessions we recommend the tranquility that legal texts suggest in the most complex cases. It is then we see results.

In constitutional matters political parties and their leaders can give general outlines of what they want to do--for example, an authority can point out the necessity for building a road from one place to another--but the task of carrying it out has to be given to technicians in all cases. Because the analysis of a juridical text, above all if it relates to the constitutional field, requires great personal acquaintance with the material, it must be studied and an expert level acquired as in any other specialty.

It is this task of revision which will take the most time, if we try to reduce the number of errors. So much time that, as we have said, constitutional reform has to be prepared right now, or we will risk fresh disasters.

9989
CSO: 3010/1516

CARAZO INAUGURATES MOIN HARBOR IN LIMON

San Jose LA NACION in Spanish 22 Apr 82 p 2-A

[Article by Eduardo Amador: "Carazo Opens Moin Port"]

[Text] Moin, Limon--The President of the Republic Rodrigo Carazo Odio, yesterday inaugurated the port of Moin in Limon, whose construction cost 1.300 billion colons.

This terminal began to operate two months ago and since then 465 ships have tied up there. It consists of five piers, two of which are used for loading bananas while the remaining ones are used for receiving petroleum, for loading and unloading chemical products, and for container service.

The chief executive in the port of Limon also opened the health center which called for an investment of 10 billion colons; the storage tanks of RECOPE (Costa Rican Petroleum Refining Company); and the Moin tourist center, built by JAPDEVA (Atlantic Coast Port and Economic Development Board of Directors) and by the ICT (Costa Rican Tourism Institute).

The Port

Construction on the port of Moin began under the Oduber administration. However, at the start of this administration, the contract with the company that built it was canceled because it was found that the project, such as it was in 1978, was completely disjointed, according to Olman Elizondo, of the Water Transportation Directorate, MOPT (Ministry of Public Works and Transportation).

It was then urged that RECOPE take over the job together with the MOPT.

The construction work was financed with foreign loans and with a subsidy which is still collected on top of the gasoline price.

This subsidy comes to 0.50 Colon per liter and, according to RECOPE general manager Jose Antonio Lara Eduarte, the tax yielded the sum of 200 million colons in 2 years.

The official stated that everything that was invested in this project was very well supervised because the intention was to make sure that the money would be spent only for actual construction work.

"We wanted to spend only that which was strictly necessary," emphasized Lara.

Both Lara and Elizondo and President Carazo himself said that the start of operations at this port will place Costa Rica in the lead in this type of installation in Central America and the Caribbean since the port of Caldera, on the Pacific, and the so-called Aleman pier in Limon also began to operate recently.

Modernization

On the other hand, in opening the RECOPE storage tanks, Lara Eduarte emphasized the modernization implemented in this storage system in recent years.

He recalled that, when RECOPE was founded, the tanks installed had a lifetime of 18 years and that ran out at the start of this administration.

"Right now," he said, "the system has been changed completely and has a fuel storage capacity for more than 3 months, which is entirely reasonable in a country such as Costa Rica."

According to Lara, this modernization cost more than 4 million colons. A special tank for storing liquid gas for domestic consumption was also opened yesterday; it has a storage capacity of 24,000 barrels, which means that RECOPE will have a reserve of this fuel for more than one month.

Lara also announced that his outfit has reserves of gasoline, diesel, and other fuels until next May which means that the new administration will not have any problems at the start of its term.

5058
CSO:3010/1650

STUDY DISCLOSES COUNTRY NEEDS LOAN TO PAY FOREIGN DEBT

San Jose LA NACION in Spanish 16 Apr 82 p 3-A

[Article by Lidiette Brenes de Charpentier: "Foreign Debt Can Be Paid Only with More Loan"]

[Text] Costa Rica does not have enough money to pay the foreign public debt even in case of the application of the terms of its renegotiation which began in September 1981 with 150 commercial banks.

To pay the reorganized public debt, which on 31 March came to \$3 billion, the government will have to obtain \$4.181 billion for the period of 1982-1986.

Even assuming that government agencies and private banks would want to loan that sum of money, there would be a shortfall each year which would exceed 40 percent of the country's exports.

The statistics were revealed in a detailed study prepared on Costa Rica's economic situation for the AID by the following technicians: Dr Eduardo Lizano Fait, Dr Claudio Gonzalez Vega, Victor Hugo Cespedes, and Ronulfo Jimenez.

Proposal

The last official check on the country's public debt showed an amount of \$2,984,581,00 [as published] of which \$390,691,000 are short-term while \$2,593,827,000 are medium-term and long-term.

On the last day of last month, the obligations due and unpaid came to \$397 million, broken down into \$176 for amortization and \$221 for interest--items which make up what is called debt servicing.

The need for renegotiating the debt persuaded the authorities to hold talks with commercial creditors to work out a viable payment mechanism for the Costa Rican economy.

For advice during these talks, the firm of Kuhn Loeb Lehman Brothers of New York and London, was hired and then three meetings were held in the United

States with representatives of the creditors; a formula was worked out which however has not yet been finally accepted by the commercial banks.

The terms of the proposal submitted by the government of Costa Rica consist of the following points:

There would be no renegotiation on the principal and the interest on the medium-term and long-term debt of the multilateral institutions--BCIE (Central American Bank of Economic Integration), IDB, etc.--would be paid out to them as agreed;

According to the original agreement, we would also pay the principal and interest on the bonds sold to Europe and the East;

The principal of the short-term debt owed the multilateral outfits and friendly governments (bilateral debt) would be readjusted each year so that an annual interest of only 10 percent would be paid;

The long-term debt owed to governments would be paid off as follows: 90 percent of the amount (amortization plus interest) of each year would be readjusted for 10 years, with 4 years of remission and six consecutive annual payments; the remaining 10 percent would be paid in four annual installments during the period of remission;

The short-term debts owed to commercial banks would be readjusted for 5 years with 3 years of remission during which interest would be paid; in the meantime the medium-term and long-term debts would be readjusted to 10 years with 5 years of remission during which interest would be paid;

The debts in arrears owed to commercial banks would be handled the same way as the short-term debts;

The certificates of deposit would be paid over a period of 5 years with one year of remission; the Central Bank offered to pay the holders of these securities the amount due in colons but so far only a few have accepted the offer.

Insufficient Funds

Dr Eduardo Lizano Fait, one of the authors of the economic study prepared for AID, explained that the proposal made by the government to the international economic community means that the country will have to get the sum of \$4.181 million or perhaps even more during the period of 1982-1986 in order to pay the installments and the interest and to take care of the deficit resulting from commercial and other types of transactions.

He estimated that funds could be obtained from official sources in an amount of \$2,287 billion (about \$500 million per year, broken down as follows: World Bank \$100 [million], IDB \$80 [million], BCIE \$20 [million], IMF \$90 [million], United States \$80 [million], Mexico and Venezuela \$80 million).

The remaining \$1.894 billion would be obtained from the international money market.

This also means that commercial banks between 1982 and 1984 would receive payment of interest on the debt but in turn they would loan the country an amount similar to the one they get.

He explained that the percentage of exports which the country would have to allocate for the payment of the debt--once it has been renegotiated--exceeds 40 percent during the period of 1982-1986 and the following 2 years the figure will be 50 percent which could place an extremely heavy burden on the nation.

In addition the economist said that renegotiation would not cover the private foreign debt which must be taken into account in view of the magnitude of devaluation and the rather shaky position of some enterprises.

Essence of Renegotiation

The recommendations of Dr Lizano and the other experts boil down to this: Before completing any negotiations that would commit the nation's economic future it would be necessary to study the real possibility of meeting the financial obligations deriving from the proposed renegotiation.

At the same time it is necessary to analyze the real possibility that the country might function economically and politically with the import level contemplated in the renegotiation proposal.

The proposal calls for zero growth in imports in 1982 and 2 percent between 1983 and 1986. This means that the per-capita income would decline over the next 5 years.

This is why renegotiation will have to seek alleviation not only of the country's economic stagnation but will also have to be aimed at reducing the social cost of this adjustment.

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CSO: 3010/1650

COUNTRY SECTION

CUBA

MONTANE ADDRESSES INTERNATIONAL THEORY CONFERENCE

Havana GRANMA in Spanish 29 Apr 82 p 2

[Speech delivered by Jesus Montane Oropesa, alternate member of the Politburo, member of the Secretariat and chief of the General Department of Foreign Relations of the party Central Committee, at the inauguration of the International Theory Conference in Convention Hall on 26 April 1982, "Year 24 of the Revolution"]

[Text] Comrade Carlos Rafael Rodriguez, member of the Politburo of the Central Committee of the Cuban Communist Party;
Comrades of the Professional Association and Editing Board of the INTERNATIONAL REVIEW;
Comrades of the parties and revolutionary organizations represented here:

Dear Comrades:

Two years ago we had an opportunity to meet here in Havana and effect a valuable exchange of views on class structure in Latin America and the Caribbean.

Later, that time in Berlin, the capital of the German Democratic Republic, we held an important conference on: "The Common Struggle of the Worker Movement and National Liberation Movement Against Imperialism and for Social Progress." That meeting, sponsored by the German United Socialist Party and the INTERNATIONAL REVIEW, laid marked emphasis on the characteristics of the Latin American revolutionary process.

Now, also under the sponsorship of our international theory publication and recently thanks to the hospitality our Cuban Communist Party has gladly extended to you, we will have an opportunity to discuss another topic of exceptional political and ideological importance: "The General and Specific Characteristics of the Revolutionary Processes in Latin America and the Caribbean."

Thus the justifiable attention aroused within the world communist and revolutionary movement by the people's struggles that are taking place on this continent is being revealed more and more with each passing day.

While once it was Cuba and its unique experiment that attracted the attention, reflections and feelings of solidarity of people who all over the world are

concerned over the creative development of Marxist-Leninism and constant enrichment of revolutionary theory and practice, today these Latin American and Caribbean countries offer a much more extensive world of social changes, one of which Cuba is by chance now only a part and in which those who are struggling all over the world can find something like a living laboratory, full of the most diverse situations, through the analysis of which it is in our opinion possible to derive certain conclusions of the greatest importance for the present and which are valid for the course the contemporary revolutionary movement is pursuing.

Latin America as a whole, and particularly Central America and the Caribbean, has without a doubt entered the present decade under the sign of a notable growth of the popular, anti-imperialist and liberation movement.

This explains the interest all of you representatives of 31 parties and liberation movements have in participating in this conference.

It is therefore by no idle chance that we are conducting this discussion at the foot of the seething volcano of an area that is today one of the most convulsed in the world, one in which three of the planet's youngest revolutions are confirmed in the clamor of battle and in which rebel peoples daily wage a heroic and tough fight for their right to build a new and independent life. This conference is no luxury; it is a necessity. It is not something foreign to the battle that is being fought in these lands; it is part of it. Learning from our experiences, making an effort to generalize the lessons we learn from life itself, drawing conclusions from achievements and mistakes, analyzing ideas openly and actively and with maximal scientific rigor, trying to foresee and penetrate the future also constitute a way of fighting. A fundamental way, to be sure. Our classical writers were absolutely right in saying that nothing is more practical than a good theory.

We must therefore salute the presence at this conference of all the prestigious parties and revolutionary organizations that are accredited here. The favorable reception the notice of this meeting has met with among the leading brigades of the working class and the peoples of Latin America and the Caribbean is obvious.

It is only fair to especially mention the presence among us of delegates from Nicaragua, El Salvador and Guatemala who, in connection with the defense of their countries and their revolutionary liberation struggle, have conferred on our meeting the importance it deserves.

Similarly, we must underline the participation of a delegation from Grenada which will no doubt speak to us of the experiment and exemplary role their revolution is performing in the Caribbean Basin.

The Cuban comrades participating in this meeting will, when their turn comes, with due rigor and thoroughness expound the views they have developed with relation to the topic that has inspired this conference.

Occupying this rostrum, however, we would not like to limit ourselves to merely offering you a brotherly embrace. We also consider it our duty to discuss some of the fundamental points which during these next few days will claim your attention.

If we are in accordance with the agenda going to discuss some of the general and specific characteristics of the revolutionary processes in Latin America and the Caribbean, the first thing we ought to establish is the fact that the classic attitude of the communist movement has been fully confirmed on our continent, to wit, that the different countries will advance toward socialism in accordance with their specific historic conditions, but at the same time adapting themselves to the universal disciplines made public through the experience of those countries that have previously, and since 1917, carried out this process. Here, the argument has also been proven that in our time, during this period of general crisis for capitalism and the proletarian revolutions, the national liberation struggles and class struggles of the worker movement, all the antioligarchic, antifascist and antimonopolistic combats have combined to produce a tendency whose strategic orientation is and can only be but a single one: socialism.

Thus Latin American and Caribbean revolutions have three essential ingredients: the unique and unrepeatable one that is born of each country's history, struggle and specific conditions; the particular one that expresses what the peoples of this continent share in common and are going through at this time; and the universal one that reflects the connection with the general laws and principles of the world revolutionary process.

Latin America and the Caribbean Constitute a Mosaic that Defies Superficial Schemes and Simplifications

But as we know, Latin America and the Caribbean constitute a mosaic that defies superficial schemes and simplifications. Here, there are nations that gained their independence over 150 years ago, like the great majority of those countries who extricated themselves from the Spanish and Portuguese yoke, and, on the other hand, there are many nations in the Caribbean Basin, generally small and sparsely populated, which have only been able to free themselves from the anachronistic domination of the colonial mother countries during the past few years. In our area we also have colonial enclaves, the most irritating of which is the case of Puerto Rico, a Latin American and Caribbean nation because of its historic roots, language and culture, since 1898 a victim in the clutches of the Yankees and today threatened by permanent annexation by the United States. There are on this continent countries with large land areas and populations and relatively well-developed capitalist economies that have also already entered the phase of monopolies and financial capital and there are countries that are in the final cycle of misery, backwardness and underdevelopment. There are nations that have with a certain amount of stability succeeded in preserving the institutions of bourgeois representative democracy and there are others, most of them, in which the exploiters have abandoned, or which never had, the fig leaf of constitutional legality in order to exercise their brutal dictatorships. As an example of the latter, it is striking that a country like Bolivia has endured an average of more than one military

coup a year from its independence until today. And then there are oil-producing countries which, despite their exorbitant incomes, have not succeeded in filling up the cracks in their distorted economic structures, while, on the other hand, there is a majority of non-oil-producing countries that are literally being crushed by the twin gears of the international imperialist financial system and the high cost of energy. And lastly, there are on this continent socialist and revolutionary countries and capitalist countries, countries that really exercise their sovereignty and are capable of disregarding the dictates of the empire and countries ruled by oligarchs and quislings, always ready to carry out the slightest wishes of Washington with abject servility.

During the past few years our continent has been floundering in the spiral of an economic crisis that appears to have no limits.

The phenomena that have been undermining the world economy for about 10 years now have had an even more violent and extensive repercussion on these countries. As a result of this situation, at first sight we note an increase in the concentration and internationalization of production and capital, a new rise in levels of economic exploitation and greater impoverishment of the immense majority of the populations of the Latin American and Caribbean countries.

Under these circumstances, the insurmountable contradiction between U.S. imperialism and the interests of the rest of the countries of the Americas that has evolved has been made even more obvious.

The United States is incapable of offering markets for the potential independent production of the countries of the area or financing for their industrial development. These past few years have served to demonstrate that Latin America and the Caribbean can expect nothing from imperialism but continued dependence on the Yankee transnational companies, occupation of a subordinate position in the new international division of labor imposed by the United States and other industrialized capitalist countries and as a result subjection to domination by big monopolist and financial capital, persistence of the distortion the economies of the Latin American and Caribbean countries have been undergoing and perpetuation of those intolerable structures in which an oligarchic minority enjoys the benefits of over 80 percent of the national income left in the country after foreign exploiters have taken their share out of it.

The Days Are Gone When the United States Could Fool the Countries of This Continent with Promises of Reform

The days are gone when the United States could fool the countries of this continent with promises of reform. The eras of the much-proclaimed "economic miracles" are behind us. Over 20 years have gone by since the proclamation of the Alliance for Progress and, if that plan conceived by imperialist rulers with greater vision these past few decades during a period, moreover, of rising U.S. economy ended in the most absolute kind of failure, the countries south of the Rio Grande can today expect much less — if anyone is still capable of expecting anything — in the present period during which the United States is a prisoner of powerful economic upheavals and when an intellectually mediocre and politically archreactionary ultra-Right dominates the government of that

country. If, as Marx says, history seems to repeat itself twice, once as a tragedy and the second time as a farce, this is the same relation we might find in comparing the ephemeral Kennedy plan of 1961 with Reagan's ridiculous neo-colonialist plan for Central America and the Caribbean in 1982.

The Latin American countries' foreign debt, which in 1970 was already over \$21.5 billion, has since multiplied over 11 times and has today attained the chilling figure of \$240 billion.

There is nothing new in the fact that a Latin American or Caribbean nation has to devote 40, 50 or 60 percent of its exports to paying the interest and amortization of the debt alone, just so it can get new loans which have higher and higher interest rates and whose terms are day by day getting shorter.

Inflation is wiping out our countries' economies and devouring workers' precarious standards of living. About 50 percent of the region's labor force is suffering from overt unemployment or underemployment. Trade terms with the [former] capitalist mother countries are increasingly damaging trade from year to year. Food production is stagnating or decreasing. The domination of the transnational companies is assuring the survival of agrarian, large landowner and semifeastal structures. The problems of housing, education, medical care, social security and others are becoming frightfully acute, daily making the living conditions of the urban and rural working masses worrisome and intolerable.

While a few years ago development formulas and projects to promote autonomous capitalism in some of the region's chief countries were still employed, today these ideas have been dropped through the frustration the system of imperialist domination has imposed on them. In their place, what we see at the present time is a return to liberal economic formulas advocated by the imperialist government itself and by its transnational companies, which, as the case of Chile clearly demonstrates, constitute the road to our countries' most complete dependence on foreign capital, to the maximal concentration and centralization of national wealth by the latter and the affiliated capital of the big oligarchic combines, to the indefinite sanctioning of economic underdevelopment and to the application of the most merciless exploitation of workers ever recorded in the history of this continent.

So it is a matter of the tacit recognition by the dependent Latin American or Caribbean capitalist system of its historic inability to prevail over economic backwardness, change the existing structures and provide even a minimal solution to the tremendous problems facing the peoples of this area.

The economic problems that are at the heart of the situation in Latin America and the Caribbean are so serious and the prospects for solving them so gloomy that this in itself leads us to the conclusion that the contradictions will go on becoming acute and in time require a revolutionary solution.

The internationalization of the economy has become so profound and the intertwining of the big imperialist corporations and their dependent oligarchies so strong that any authentic process of change can do nothing short of being

anti-imperialist and antioligarchic in nature and of questioning the very bases of the capitalist regime.

The crisis Latin America and the Caribbean are at present going through is not only an economic crisis, but also a crisis affecting the whole system of imperialist domination, obsolete agrarian structures, the whole complex of dependent capitalist relations. It is a global crisis that includes all social domains, one which manifests itself with particular severity in the field of politics as well as in the fields of ideology and culture in general.

In light of these views, dear Comrades, our conviction is reinforced that this continent is carrying a revolution in its womb, a revolution that will move toward a socialist future and whose birth — as Comrade Fidel Castro recently put it — will be as difficult to prevent as it would be to keep a pregnant whale from giving birth.

We are not, however, yielding to the temptation of impulsive optimism nor are we ignoring the difficulties a process that is in essence tantamount to the very liquidation of American imperialism will encounter. We know that this will of necessity be a long, troubled and complex process, one that will take an entire historic era.

How will these future revolutions have to be developed? What will their characteristics be? By what means will our leaders and peoples accomplish the mission of gaining power, consolidating it and following through on the decisive transformations of their respective societies? These are questions we cannot answer in advance, questions which it will be up to the revolutionary movements and their leaders to find answers to at any given moment.

Certainly the Latin American and Caribbean revolutionary movement has been extraordinarily enriched in these past 25 years and there are lessons of great value in this common fund of experience, very useful lessons which no fighter in any of our countries can overlook.

But even so, we sincerely think that nothing could be less Marxist than to try to elevate our revolutionary experiences of today to the category of valid recipes for all the situations the future may hold in store for us.

We are sure of one thing and that is that the progress of the peoples' movements on our continent, the development of their potential, will depend to a large extent on the subjective factor of the ability of revolutionary vanguards and their leaders. The importance of this conscious element increases with every day. As always happens, those who know how to learn from others and think for themselves will be able to take the lead in the struggle. Those who can make decisions and behave bravely at the right moment deserve to march at the head of the column. Those who in life demonstrate a talent for appraising situations, mobilizing people, gaining their determination, marching down paths of unity, at any moment choosing the most effective methods of fighting and knowing how to turn a correct strategy into tactical procedures that are also right deserve to lead.

We are conscious of the fact that socialism will be the great historical objective toward which the different Latin American and Caribbean revolutionary processes will sooner or later be directed, in one form or another.

But we cannot infer from this that our countries' political and revolutionary struggles can in every case set themselves the achievement of socialism as an immediate task nor raise their battle platforms on the basis of the proclamation of this goal.

What is today the order of the day on this continent is the more extensive anti-imperialist, antifascist, antioligarchic, democratic and people's battle.

Patriotic feeling, anti-imperialism, the struggle for sovereignty and real national independence predominantly color the people's movement in Latin America and the Caribbean.

What we are witnessing on this continent is an inseparable fusion of the class struggle and the national struggle, a peculiar combination of democratic tasks linked with socialist tasks and anti-imperialist liberation tasks joined with the actions of urban and rural workers against capitalist exploitation. As is only natural, this original mixture is reflected in the strategy and tactics of many leftist parties and organizations.

Every people on this continent will achieve socialism by planting this aspiration in its own national history, be it Latin American or Caribbean, since this is the only alternative capable of solving the complex structural problems underdevelopment has accumulated in our societies. There will be different processes and each of them will have its own characteristics and offer its original contributions to the international revolutionary experience. The models used to guide the processes of national liberation and the erection of socialism in these countries will not be rigid ones. But at the same time, as the Marxist-Leninist parties and organizations in the region clearly maintain, the triumph of any true revolution and its progress toward socialism will only be possible to the extent it knows how to comply with the laws and universal disciplines that govern this process in terms of its specific circumstances.

Socialism is achieved consciously, but our determination, our desires, cannot supplant objective realities. We have to approach that goal via earlier stages among which every people and every revolution will find its propitious scenario for revealing its creative bent, its political intelligence and its capacity for interpreting and making use of the characteristics and national peculiarities of each process.

One of the most significant characteristics of the current Latin American people's movement is the intertwining of democratic and revolutionary struggles.

On our continent struggles for national liberation and democratization of political life, economic claims in favor of the great majorities, the overthrow of extreme-Right repressive regimes and respect for human life and dignity open broad possibilities for labor and an alliance with other democratic forces,

of course, without this involving renunciation of the ideological struggle. And this in turn stamps each process with a distinctive mark.

The overall view of our region shows us situations that go from those countries in which the class confrontation between a people and its oppressors has become maximally acute to those cases of countries in which the political struggle is evolving through peaceful and institutional channels and the prospect of a revolutionary situation is not anticipated in the immediate future.

These realities confirm the fact that we dare not let ourselves lapse into childish absolute statements. The essence of a revolution is not whether it is armed or not armed, violent or nonviolent, legal or illegal, an insurgent action or an effort of the masses; the essence of a revolution is what is possible and what has to be done at every moment, what makes us advance on our final objectives, what puts us at the helm of events, not at their tail end.

Since Cuba marked a turning point in the history of this hemisphere 23 years ago, the imperialists have done everything in their power not only to destroy it, but also to demonstrate that this was an exceptional case and an anomaly that will never have a chance to be repeated.

The successive victories of the revolutions in Grenada and Nicaragua overturned this reactionary philosophy.

The uncontrollable advance of peoples' struggles in El Salvador, Guatemala and other countries on this continent demonstrates that these victories will not fail to be properly followed through on either.

Each in its own way: Guatemala in 1954, Cuba in 1959, Chile in 1973, Grenada and Nicaragua in 1979, is an experience that firmly teaches us that the key element of any revolution, yesterday, today and always, is the solution of the power problem.

In our country first and then with exceptional eloquence in the struggles of the peoples of Central America, the decisive role played by the unity of all revolutionary forces, the effective unity of their leadership in the process of winning and consolidating a people's victory, has been placed in relief.

The lessons produced by the strategic unity attained by Marxist-Leninists and Christians constitute one of the most profound, interesting and promising elements we can and should give thought to.

Similarly, we have in practice devoted ourselves to the formulation of an intelligent policy that includes the patriotic sectors that may exist in the army, intellectuals of different stripes, the middle classes and also some sectors of the bourgeoisie proper. It has been demonstrated that, without damage to our determination and our convictions, we can reach agreement with social democratic organizations on the basis of specific objectives and can in our effort reach the rank and files of the Christian democratic parties themselves despite the generally reactionary course followed by these latter's bureaucratic officials. It is a matter of experiences that demand of us an attitude

that is more and more flexible, Leninist, creative and removed from doctrinairisms and sectarianisms that have nothing to do with real life, its concrete problems and real requirements.

But on this continent the conditions involved in a people's struggle and its general and specific characteristics not only have to do with the circumstances that prevail in the region as a whole and in the interior of each country. They also have to do — and very much so — with Yankee imperialist policy during each phase of the situation.

We feel that the events that are today in plain sight of all of us are enough to confirm this truth.

We Are Facing a Powerful Enemy Whom, Although We Do Not Fear Him, We Cannot Underestimate Either and the Situation in Our Countries Is Not Isolated from the Dangers and Problems that Are Evolving on a Global Scale

We are facing a powerful enemy whom, although we do not fear him, we cannot underestimate either and the situation in our countries is not isolated from the dangers and problems that are evolving on a global scale.

We Latin American revolutionaries are part of the world and whatever happens in it affects us directly. When today the Yankee administration imposes enormous military budgets on its NATO allies, unleashes an unparalleled arms race, revives the ugly and brutal language of the "cold war" and is prepared to install 572 mid-range missiles on European soil, a very few minutes flight from and aimed at the major cities and industrial centers of the Soviet Union and other European socialist countries, the threats to world peace posed by these actions very closely affect us and cannot fail to involve our most active and energetic rejection of this imperialist policy. We are internationalists. We will not hide our heads in the sand like the ostrich. The fate of socialism and all revolutionary and progressive countries is our own fate. We will not fail to share it aware of the fact that we are living in a time when our unity and our solidarity must be manifested in the firmest way and to the highest degree.

The current U.S. administration has not only complicated the world situation with its policy of force, its arms race, its attempt to impose blackmail and military superiority on the Soviet Union and other countries belonging to the socialist community. Not only has it heated the international atmosphere through its stoking up of different hot spots in various parts of the planet. In Latin America and the Caribbean it has also complicated matters with its determination not to permit the revolutionary victories in El Salvador and Guatemala to succeed on any account, to crush the Sandinist revolution in Nicaragua and the revolution in Grenada, to step up the blockade and hostility against Cuba and to an even greater extent strengthen its alliance with the most repulsive extreme-Right regimes this continent is suffering under.

The Reagan government is trying to turn rebellion in Central America into a decisive test of strength through which, according to the present administration's theoreticians, the United States would recover its credibility in the eyes of

its allies in Europe and the world at large while at the same time establishing proof of its political determination vis-a-vis the Soviet Union, which would serve as an advantageous basis for any future negotiations.

Life has taught us that we have to seize every step forward gained by our peoples from our enemies and succeed in doing so in spite of Yankee imperialist maneuvers and actions.

But for this very reason, we cannot always advance as swiftly as we would like to. We have to take into account not only national but also international factors. Sometimes this advance can be very rapid. At other times, to see to it that we strategically advance more swiftly, we have to move more slowly and cautiously in terms of the economic situation.

The most elementary sense of responsibility for the fate of our peoples and of all mankind points out to us that, alongside our determination and solidarity with the popular and revolutionary movement, which we have never denied, we must be ready to offer our willingness to negotiate, ease tensions and seek democratic, peaceful and just solutions to the crisis situations that today affect our area. Neither the one nor the other of these is in any way opposed to or excludes the other.

With reference to this, dear Comrades, let us bear in mind the support our country has provided for the lucid and constructive proposals of the president of Mexico, Jose Lopez Portillo, to promote ways of negotiating that may lead to the establishment of a climate of detente in the area.

The positions expressed in connection with this by Comrade Fidel Castro are known and it is therefore not necessary for us to repeat them here.

As we know, our Nicaraguan and Salvadoran comrades have also expressed their adherence to these positions.

For Cuba, just as they are for its Central American and Caribbean brothers, the reasons for this attitude are clear. As a matter of principle, we neither want nor seek tensions and war. Quite the contrary, we advocate peace as the only sensible solution to move toward a solution to the problems that affect our peoples and with justifiable alarm are of concern to all responsible persons throughout the world. Our readiness to seek political solutions is an example of responsibility, calm and determination, because we will never negotiate on revolution nor on peoples' right to carry it out.

Our country, which is one of the targets par excellence of the U.S. Government's policy of aggression, has recently felt obliged to take those steps necessary to the strengthening of its defense capability. As part of these measures, it has created the Territorial Troop Militias, whose ranks today comprise a half a million men and women, trained and organized to carry out an important auxiliary role for our Revolutionary Armed Forces in the event of an attack. We have taken those steps necessary to place ourselves in a position to deal with a total blockade as well as an air war of destruction of a direct attack by the United States and its troops. We have worked hard to guarantee

the maximum security conditions possible for our population, to assure uninterrupted production under any circumstances and to raise to a maximum our country's military might so that the imperialists will have to think twice before deciding to undertake any kind of action against our country.

As Fidel said at the recent Fourth Young Communist Union Congress, we are ready for everything, to fight as well as to discuss matters, to face up to the most violent of attacks as well as to seek political, negotiated solutions to problems and work seriously for the peace our people, the peoples of Central America and the Caribbean, the peoples of the entire continent and the world aspire to.

These are, Comrades, some views, some ideas that we would like to share with you on this occasion.

Furthermore, we are certain that this conference we have initiated today will be crowned with success and will unfold as a reflection of the maturity, earnestness and appeal for unity of and by all the parties and organizations represented here.

Once again, we hope that the profound feeling of solidarity that today ought to attract revolutionaries and progressives from all over the world to their Latin American and Caribbean brothers, and most especially to those peoples threatened with aggression, like Nicaragua and Grenada, or victims of terror and Yankee interventionism which are aimed at crushing their struggles for liberation, as in El Salvador and Guatemala, will shine brightly here.

May this be, as it no doubt will, one of the best and most worthy tributes we in Cuba can offer, in this year which marks the 15th anniversary of his heroic death in combat, to someone who was an incomparable champion of Marxist-Leninist revolutionary thinking and one of the greatest, purest and most inspiring advocates of the militant spirit of proletarian internationalism: that heroic guerrilla fighter, Ernesto "Che" Guevara.

Many thanks.

11,466
CSO: 3010/1609

COMMENTATOR CHARGES U.S. SUPPORT FOR ISRAELI ATTACK

PA091540 Havana International Service in Spanish 0000 GMT 9 Jun 82

[Commentary by (Mario Montes): "World Events"]

[Excerpts] The criminal aggression that Israel is currently carrying out against Lebanon has been carefully planned and organized by the Zionist regime with the complicity of the United States, which has not only prevented the imposition of sanctions on Tel Aviv at the UN Security Council but has also armed the aggressor. For many months the invaders concentrated materiel and soldiers along Lebanon's southern border while at the same time they sent warships toward the coast of that Arab country.

With their southern border protected by the U.S. intervention forces settled on the Egyptian Peninsula of the Sinai, following Israeli withdrawal from that territory, the Zionist regime was able to send a larger force to the northern area and accumulate materiel near the Lebanese border for future use in conquering great areas of land in that country.

It is of significance that a few hours before Israel launched its criminal aggression, the U.S. State Department ordered half its diplomatic personnel and their families to abandon Lebanon. This indicates that the U.S. leaders were aware of what was going to happen.

Once again Israel and its allies mock the decisions of the UN Security Council and the people, turn international agreements into waste, step on human rights and endanger the peace and security of peoples.

The facts once again demonstrate that only the unity of the Arab peoples and their firm resistance to their enemies will stop Israel's expansionist intentions in the Mid-East. Faced by the Zionist genocidal violence, we have the Arab nation's willingness to fight. Their cause has the support and solidarity of all the progressive and revolutionary forces of the world.

CSO: 3010/1711

COUNTRY SECTION

CUBA

JORGE RISQUET LEADS DELEGATION TO WESTERN SAHARA

FL150050 Havana Domestic Service in Spanish 2300 GMT 14 Jun 82

[Text] Jorge Risquet, member of Cuba's Communist Party Central Committee Politburo and Secretariat, arrived today in the Saharan Democratic Arab Republic leading a high-level delegation. The Cuban leader was met at the (Raboni) border area by Brahim Chali, member of the Saharan Revolutionary Command Council, and other leaders.

In welcoming Risquet and his party, Chali, who is also defense minister, stressed the close ties which unite the peoples of Cuba and Western Sahara. Today more than ever, said the Saharan leader, the Cuban presence is opportune and necessary as an expression of solidarity with our people's struggle. The Saharan people want to learn from the Cuban people's experience in their struggle against the imperialist enemy and want to strengthen the prevailing ties with the Caribbean island.

For his part, Jorge Risquet conveyed the greetings of the Cuban people, party and government and said he was carrying a message from Commander in Chief Fidel Castro for the president of the Saharan Revolutionary Command Council and Polisario leader, Mohamed Abdelaziz.

The Cuban delegation will study the means to expand cooperation in all areas with the Saharan nation. During their stay in Saharan soil, Risquet and his delegation will tour the civilian camps holding more than 100,000 refugees. They will also see the sites of the major battles fought against the Moroccan occupying forces.

CSO: 3010/1711

U.S. SUGAR IMPORT POLICY SCORED

Havana GRANMA in Spanish 30 Apr 82 p 6

Editorial by Ainel Anila: "Sugar--A New Blow from Yankee Imperialism"⁷

Text The Reagan administration is getting ready to apply the quota system to sugar imports into its domestic market.

The system consists in the allocation--either universally or individually by country, according to additional political aims--of specific amounts of the commodity that are to enter the country. Everything seems to indicate that the system to be approved will be that of individual import quotas by country.

The import quota system deals a deadly blow to free enterprise, a pillar of the so-called Western democracy, and it reveals to a certain extent the inefficacy of the relations of production in the United States.

Import quotas, a mechanism of defense against foreign exporters, were eliminated in the United States during the late 1974 crisis, when the high world prices prevailing at that time were amply sufficient to cover the costs of domestic production, and at the same time made it difficult to keep up a preferential market that traditionally paid prices somewhat higher than those available on the world market.

In the case of sugar, their reimposition constitutes another link in the chain of pressure and extortion with which the White House has been fettering exporters in the last few years.

Acting against the interests of foreign producers, the United States has been taking resolute steps to curtail their imports. They are, for example, the excessive increase in sugar import duties, the high subsidies to national producers, and the reimposition of the quota system at this time.

Although the United States adhered to the International Sugar Agreement of 1977, its delay in joining it and the worsening of its protectionist policy run counter to the objectives set forth in the agreement in the sense of increasing world sugar trade and favoring underdeveloped countries, to whom this commodity is of the utmost importance.

The implementation of this militantly protectionist policy is similar in result to the widely criticized policy of the EEC, which by means of ample subsidies to its domestic sugar producers has boycotted the efforts to maintain reasonable price levels in the world market exerted by the countries subscribing to the agreement, refusing to participate in that organization and aggressively increasing instead its exports in the last few years.

The establishment of the import quota system in the United States is, according to the administration, "the only remaining alternative" because in accordance with the law, the various types of duties are reaching their maximum allowable levels while world prices continue to decline.

The truth is that the Reagan administration seeks to reduce its sugar imports this year by 1.8 million tons, going from 4.6 million tons in 1981 to only 2.8 million tons this year.

The producers most affected by this reduction in U.S. purchases are those of Central America, Brazil and the Philippines, the traditional suppliers of the U.S. market who for a good number of years have produced and marketed their product below cost, counting on government subsidies that are so high as to be practically unsustainable.

Even so, the substantial reduction in U.S. purchases affects all producers because the amount that the United States fails to consume will end up in the free market, depressing it even more and adversely affecting its price.

The reimposition of these sugar import quotas lays bare the hypocrisy and the sanctimony of the Reagan administration as regards the countries of the Caribbean Basin, the supposed beneficiaries of his so-called "Mini-Marshall Plan." The very little he has promised (and has not been fulfilled) turns into dust not only when he bars substantial amounts of sugar from entering the country, but also when he contributes to keep the world prices dropping.

The Reagan administration had declared that in its plan dealing with Caribbean products exempt from duties, sugar would be only partially affected and would be the subject of special treatment, inasmuch as it could have an effect on U.S. producers.

If the quota system being readied for implementation were of the individually allocated type and the Caribbean producers were afforded some consideration, this would change very little the serious situation created by the reimposition of import quotas because the real problem is the reduction in U.S. imports and its unfavorable impact on prices.

With such quotas, the Reagan administration seeks to arm itself with a new instrument of political extortion because what will be apportioned among the Caribbean countries under the "protective" umbrella of its plan is the shortfall in sugar purchases, i.e., what share of the 1.8 million ton reduction corresponds to each producing country.

It is pitiful to witness the silent struggle for larger quotas that will take place among those nations which depend on the U.S. market. But it is much worse to think of the fate of thousands upon thousands of wretched people in those countries whose livelihood depends on sugar.

BRIEFS

CEMA LEATHER, FOOTWEAR PROTOCOL--The Protocol of the 20th Meeting of the CEMA Permanent Commission for Leather and Footwear has been signed in Havana following 4 days of sessions. Light Industry Minister Manuel Millares and Commission chairman (Josef Kadla) presided over the ceremony. The event was a positive one for Cuba because it represents the possibility of introducing modern technology in shoe manufacturing. [FL072326 Havana Domestic Service in Spanish 2130 GMT 7 Jun 82 FL]

FINANCE MINISTER IN ANGOLA--Francisco Garcia Valls, Cuban minister president of the State Committee for Finance, has been conducting a tour of various Angolan oil fields. Wednesday the Cuban leader visited the (Soyo), (Etuanda) and (Quinfunquene) oil fields in Zaire Province, some 600 kms northwest of Luanda, the capital of Angola. Garcia Valls and his entourage left for Malange today. [Text] [FL101620 Havana Domestic Service in Spanish 1418 GMT 10 Jun 82]

CONGOLESE DELEGATION--A People's Republic of the Congo delegation headed by Capt Dieudonne Kimbembe, minister of justice, has arrived in our country. The Congolese leader is here at the invitation of Osvaldo Dorticos Torrado, member of the Politburo and minister of justice, who along with several vice ministers of justice, welcomed him at the airport. Also on hand to welcome the distinguished visitor at the Jose Marti International Airport was the Congo's ambassador to Cuba, (Justin Nicolo Kinsinsi). The People's Republic of the Congo is a member of the nonaligned movement and since its independence it has expressed firm solidarity with all the peoples who struggle against imperialism and colonialism and particularly with our country. [Text] [FL091545 Havana Domestic Service in Spanish 1432 GMT 9 Jun 82]

MEETING WITH SAHARAN MINISTER--Jesus Montane Oropesa, alternate member of the Communist Party of Cuba Politburo and chief of the Central Committee's General Department of Foreign Relations, has held a fraternal meeting with Mohamed Ould Salek, member of the Polisario Front Political Bureau and minister of information of the Saharan Democratic Arab Republic [SDAR]. They exchanged views on various aspects of the international situation. The Saharan leader reported that the success of his people's struggle for full national independence is an actual fact. Montane reiterated the solidarity of our people and party with the heroic cause of the Saharan people. SADR Ambassador to Cuba Bulahe Mohamed Fadel and Eloy Valdes and Ernesto Gomez Abascal, of the General Department of Foreign Relations, also took part in the meeting. [Text] [FL072320 Havana Domestic Service in Spanish 2130 GMT 7 Jun 82]

CSO: 3010/1711

COUNTRY SECTION

EL SALVADOR

LEGAL AID OFFICE REESTABLISHED UNDER NEW NAME

PA082328 San Salvador ORIENTACION in Spanish 6 Jun 82 p 6

[Text] The Justice and Peace Committee Outlines the Technical Functions of the Former Legal Aid Office

Taking advantage of the experience gained by the Justice and Peace Committee and following the guidelines and objectives outlined by the motu proprio of its charter, Monsignor Arturo Rivera y Damas has deemed it advisable and necessary to reestablish the Archdiocesan Justice and Peace Committee so that it may offer its help--using an ecclesiastical criteria--in the difficult and complex situation of the country and by reassuming the technical functions of the former legal aid office.

Arturo Rivera y Damas, bishop of Santiago Maria and apostolic administrator of the archbishopric of San Salvador;

Considering:

1. That in recent times a Justice and Peace Committee has functioned in the ecclesiastical province of El Salvador, in accordance with the guidelines and objectives of the motus proprio justitiam et pacem of His Holiness Pope Paul VI and subsequent suggestions by the Pontifical Commission of Justice and Peace;
2. That the help that this committee has given to the church institutions in El Salvador in the promotion of justice and peace has been valuable;
3. That today, more than ever, we need this assistance given under ecclesiastical criteria, since the situation in the country continues to be difficult.

In effect, notwithstanding the significance of the massive voter turnout with which the people expressed their desire for justice and peace on 28 March this year, the following threatening possibilities are on the horizon:

1. The continuation of the irrational armed struggle, which only brings destruction and death.

2. The concern over the economic recovery to the detriment of sociopolitical and humanitarian concerns.
3. The ever-increasing risk of losing the reforms that have been obtained, with the subsequent frustration of the people.
4. The continuation of repression against civilians.
5. The psychological and physical exhaustion of the people, with the danger of a social explosion, as a result of desperation.

Consequently, in full use of our authority:

1. We reestablish the Archdiocesan Justice and Peace Committee in accordance with and following the norms and suggestions outlined by the Pontifical Commission of Justice and Peace, in order to promote the values of justice and peace within our archdiocese and to bring light and the gospel into all aspects of life in our society.
2. Under its aegis, the legal assistance office [oficina de tutela legal] of the archbishopric will be organized in such a way that it can assume the technical functions of the former legal aid office of the archbishopric, for the benefit of the most needy.
3. The committee should foster a relationship with similar organizations in the other churches of Central America and throughout the continent to better serve the cause of justice and peace.

Given at the San Salvador archbishopric on 27 May 1982. [signed]
Arturo Rivera y Damas, bishop of Santiago de Maria and apostolic administrator of the archdiocese of San Salvador.

CSO: 3010/1704

ARCHBISHOP RIVERA Y DAMAS INTERVIEWED IN VIENNA

AU091940 Vienna Domestic Service in German 1600 GMT 9 Jun 82

[Interview with Arturo Rivera y Damas, archbishop of San Salvador by Roland Machatschke, in Vienna, date not given; recorded with portions in Spanish with superimposed German translation]

[Text] Question: Mr Bishop Rivera y Damas, how has the situation of the church in El Salvador changed since the elections of 28 March? Have there been any changes?

Answer: I would like to say that the position of the church has not changed because the situation has not changed. The church continues to work on the side of the people. The problems that existed before are perhaps no longer that acute but they persist.

Question: When you say that the church is working on the side of the people, does that mean that the church would work against the present government if the government turned in the view of the church, against the people?

Answer: I want to stress that it is not up to the church to make politics. The church has religious tasks and the task to serve the people. It is not in opposition to the government. The main task of the church is to preach the kingdom of God on earth as well as the values it connects with it such as truth, love, justice and peace. It is the task of the church to continue to support these values. Should these values not be respected by the government, then the church must intervene.

Question: Does the government respect these values at present?

Answer: I have said at the beginning that there has been a certain improvement in this area. However, the same problems continue to be acute and there are many cases in which these values are not respected as we would want them to be. Yet there is clearly a readiness to respect these values and we believe that the situation will improve.

Question: Mr Bishop, what is the nature of your relationship with and attitude to the new president [as heard] of El Salvador d'Aubuisson who, as is known, is being reproached for having had your predecessor [Archbishop Romero] killed?

Answer: I want to stress again that it is not the task of the church to act as an opposition force. The task of the church is to implement values such as justice, truth, freedom, love and peace. We will continue to insist that the archbishop's murder be cleared up and that justice be done.

Question: Have you personally met with D'Aubuisson since his election?

Answer: I met him once and I greeted him.

Question: A personal question to end with. Mr Bishop Rivera y Damas, in view of what happened to Bishop Romero, are you personally afraid?

Answer: Naturally, in El Salvador we live in a somewhat uncertain situation. I personally have not yet received any threats and I do not feel threatened, even though, naturally, the situation will always be difficult.

CSO: 3010/1704

BRIEFS

FRG AID--West Germany has contributed 78 million marks (approximately 70 million lempiras) for several development projects in Honduras, according to FRG Deputy Foreign Minister Dieter Corderier. In addition, the FRG has donated 125,000 marks or 104,000 lempiras, to assist the southern zone refugees. The German diplomat met with Foreign Minister Edgardo Paz Barnica yesterday and was briefed by him on the pacification plan initiated by Honduras and on the democratic process that now exists in the country. Corderier said that he has been favorably impressed with the Honduran Government, which will be very stable in the future. "Besides bringing aid to those who were affected by the floods, the primary reason for my visit to Honduras is so that I can learn about the present government's democratic doctrine," he said. The German commission will study the Honduran proposal for the internationalization of peace. I hope that my country will have an optimistic reaction to this initiative, the German deputy foreign minister concluded. [Text] [PA101816 San Pedro Sula TIEMPO in Spanish 9 Jun 82 p 9]

POLICE ANSWER CRITICISM--During a news conference, Lt Carlos Quesada, public relations chief of the Public Security Forces, FUSEP, said that it is up to the people to decide of the attitude of the police is unconstitutional. He added that most of the weapons that were discovered by the police during the weekend in house No 206, Matamoros Colony, Tegucigalpa, had been donated to the Nicaraguan Sandinist National Liberation Front by the Venezuelan Government. At yesterday's news conference, Quesada said: "These weapons were donated by the Venezuelan Government to the Sandinist Front and the front gave them as its donation to the Honduran guerrilla groups." "We have proof to show the Honduran people that our country has guerrilla groups that are trying to destabilize the present government. It is conclusive evidence. The success of the police action is sufficient proof," he said. Lieutenant Quesada condemned the charges made against the police last Friday by the Honduran Bar Association President Carlos Gomez Moreno, who said that the FUSEP and National Investigations Directorate, DNI, are constantly violating the constitution by torturing people and searching houses without search warrants and imprisoning Hondurans for more than 24 hours without turning them over to the courts. "There are many unpatriotic people who collaborate with these common criminals. It is up to the people to decide whether the police actions have been negative or unconstitutional. Some groups which are challenging the police actions in the press must know that we will continue as we have," Quesada said emphatically. [Excerpt] [PA080425 San Pedro Sula EL TIEMPO in Spanish 7 Jun 82 p 4]

FDN COMMANDOS ACTIVE IN MATAGALPA MOUNTAINS

PA091815 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT
9 Jun 82

[Text] Last-minute reports from our liaison contacts reveal that freedom commandos engaged the genocidal troops of the dictatorship in Rio Blanco. This new attack of the liberating forces of the Nicaraguan people took place early Monday, 7 June.

Our liaison contacts throughout the national territory, particularly in Matagalpa Department, reported that the mangy dog forces suffered a large number of dead and wounded, not yet revealed in detail. Our freedom forces reported no casualties, confirming the total success of the action.

Likewise, Radio 15 September also reports to all our listeners that our war correspondents in Matagalpa Department revealed an interception operation carried out by our freedom commandos in the Muy Muy community, Matagalpa Department. In the ensuing action, five mangy dog lackeys were killed and seven others seriously wounded. So far, we have no casualties to regret.

Our correspondents throughout that sector have informed us that the communist dictatorship of the FSLN and its troops of Marxist mercenaries have launched a large indiscriminate repression operation as a cowardly reprisal for the setbacks suffered at the hands of our freedom commandos. Thousands of humble peasants have been arrested and inhumanly tortured in state security prisons.

Before national and international public opinion, the Nicaraguan Democratic Force [FDN], the army of independence, denounces women, children and elders in the mountains of Matagalpa.

Humiliated by its constant military setbacks, the Marxist dictatorship of the FSLN replies with more repression.

These new successful operations of the anticomunist guerrillas in the Matagalpa Mountains clearly refute the genocidal regime's misinformation claims that our guerrilla activities--which will lead us to prompt and true liberation of our fatherland--have been suspended.

This was, Nicaraguan brothers, the last-minute reports received from our war correspondents in Matagalpa.

COUNTRY SECTION

NICARAGUA

ATTACK ON U.S. HELICOPTER CONDEMNED

PA091500 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT
9 Jun 82

[Text] The Marxist-Leninist dictatorship of the armed party, the usurpers of power, has again engaged in armed aggression in its effort to internationalize our internal conflict in this war of true liberation, to justify the open use of communist mercenaries, and to divert the attention to international public opinion from the true objective of our people in the mountains fighting to recover their freedom.

On this occasion, the target of communist aggression was a U.S. helicopter flying over international waters in the Atlantic [as heard] Ocean of our coast. A frigate of the dictatorship opened fire on the aircraft, but only slightly damaged it.

The dictatorship and its unconditional lackeys attacked the helicopter in international waters, and the U.S. Government called in the regime's diplomatic representative in Washington to submit an official protest at this new armed aggression.

According to diplomatic circles in Washington, Francisco Fiallos Navarro has tendered his resignation as ambassador of the dictatorship in North America, although it has not yet been accepted by the leadership of the armed party, usurpers of power.

With this new armed attack, the communist dictatorship is intensifying the efforts of the totalitarian FSLN regime to create an international conflict. The armed actions and incursions of the mangy dogs into the territory of our northern and southern neighbors are clear evidence supporting our statements and charges.

The Nicaraguan people must be vigilant at all times to unmask all these maneuvers of the communists and must not be deceived by them. Our full attention must be focused on the internal efforts of our active and passive

patriotic resistance: active in the anticomunist guerrilla actions of the freedom commands in all our mountains; passive in the clandestine urban organization. Both will lead us to final victory against communism.

Radio 15 September will continue to report to our people about the developments of our process of true liberation, thwarting--as we have done so far--communist censorship efforts.

CSO: 3010/1705

COUNTRY SECTION

NICARAGUA

D'ESCOTO DISCUSSES CUBAN AID, FALKLANDS

FL081520 Havana Domestic Service in Spanish 1045 GMT 8 Jun 82

[Interview with Nicaraguan Foreign Minister Miguel d'Escoto by Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program during the nonaligned movement's coordinating bureau meeting--date and place not given]

[Text] Regarding the solidarity with Nicaragua expressed by Cuba in view of the present difficult situation as a result of the floods in Nicaragua, d'Escoto said:

[begin d'Escoto recording] We are, once again, witnessing this marvelous disposition of fraternity and solidarity by President Fidel Castro which in this instance, as usual, captures and represents the feelings of this revolutionary country. It is something that touches me. Besides that, it is something very important, because here we are not talking about an extremely wealthy country or anything like that. It is rich yes, like no other, in its spiritual values and in its feelings of love and fraternity. It is willing to share even what it does not have. It is a very touching thing and very valuable lesson. It is something which in a way I would dare say also benefits the Cuban people and serves as a lesson for all countries aspiring to fulfill their revolutionary duty as evidently has been fulfilled in this marvelous country. [end recording]

Regarding his government's support of Argentina in its conflict with Great Britain for sovereignty over the Malvinas, the Nicaraguan foreign minister told our reporter:

[begin d'Escoto recording] Total support was given immediately as the situation emerged. We are dealing with a fraternal Latin American country threatened for the offense of having defended its territorial integrity and recovered its sovereignty over all of its own territory. Argentina has never attacked Great Britain. Argentina has demonstrated great patience. It is regrettable that all the efforts over many years to achieve a settlement through dialogue and negotiations were not successful in bringing about the desired results.

Some are saying that this reaction was provoked by the Argentine decision to recover its territory, but I would truly say that the Argentine action to bring about an actual recovery was the result of Great Britain's historical refusals over many years to obey the resolutions regarding this issued by the United Nations and the nonaligned movement.

I believe that as a result of... not just this British aggression but of the collusion of Great Britain with the United States, we are experiencing an unprecedented level of anti-imperialist sentiment in our continent. And this is very important, that everyone should know who are their logical and natural friends and who are the enemies of those who would defend their sovereign rights, rights to self-determination and independence. [end recording]

CSO: 3010/1705

'RADIO 15 SEPTEMBER' REPORTS CLASHES WITH FSLN FORCES

PAL12303 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT
11 Jun 82

[Text] The Nicaraguan people's freedom fighters continue their constant harassment of criminal mangy dog troops. These harassment actions are conducted in each and every battle front, thus wearing down the communist forces. The freedom fighters have faithfully used these tactics during clashes with patrols of the Marxist guard in various communities in the Jalara Mountains and in areas around Quilali. Our fighters and our people staged surprise attacks during the early morning hours of 8 June.

Radio 15 September's war correspondents in these areas reported that the freedom fighters conducted four successful attacks and that each lasted between 15 and 20 minutes. We inflicted a total of 10 casualties on the Marxist enemy--all of them seriously wounded troops--during the four attacks. Meanwhile, the freedom fighters who participated in these harassment operations escaped unscathed, with the exception of a brother freedom fighter who was slightly wounded by one of the murderous bullets of the dictatorship and its henchmen. Fortunately, the bullet hardly broke the skin of our comrade-in-arms.

As we can see, these harassment operations against the regime's genocidal troops are continuously launched, using guerrilla tactics. This is the type of struggle being waged by our freedom fighters.

We gave a last minute report yesterday about other harassment attacks by our people's fighters. These attacks have been launched to wear down the communist troops in Rio Blanco and [name indistinct] in Matagalpa Mountains, in the country's central region.

Radio 15 September, the official voice of the Nicaraguan Democratic Army, the army of independence, reports to the international community and to the world's human rights organizations that the FSLN is launching large persecution and annihilation campaigns against humble peasants in the areas where we have been fighting. This is the dictatorship's immediate response to the defeats they

have been experiencing at the hands of our freedom fighters. The regime, itself, has made a radio announcement that it will present several peasants who were arrested and charged with helping the freedom fighters to the press. These humble peasants are the few who managed to survive the dictatorship's repression and annihilation campaign against our peasants, which it launched because of its inability to defeat the heroic freedom fighters.

The free and democratic peoples of the world, and all international organizations that claim to support human rights and freedoms must raise their voices in protest of the barbaric actions of the dictatorship that murders our peasants in repressive campaigns.

CSO: 3010/1705

FDN CLAIMS SUCCESSFUL ACTIONS IN CHINANDEGA

PA121700 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT
11 Jun 82

[War bulletin issued by the Nicaraguan Democratic Force, FDN, Operations Command "Somewhere in Nicaraguan Territory"; at 1400 on 10 June 1982--read by announcer]

[Text] The Operations Command of the Nicaraguan Democratic Force [FDN] the army of independence, reports to the heroic fighting people of Nicaragua through this new war bulletin, that specialized guerrilla warfare commandos carried out two successful military operations against garrisons and Marxist troops of the FSLN. These operations took place in the western sector known as San Pedro Del Norte, Chinandega Department. Both liberating operations were successful due to the skill, fighting spirit and patriotic faith of our fighters, who with God and patriotism continue to defeat communism.

At 0830 Wednesday, 9 June, several detachments from operations base "Zebra" in the western part of our country unleashed a fierce attack on a communist hideout in San Pedro Del Norte, Chinandega Department. For 2 hours, our freedom commandos attacked the enemy position with mortar and rifle fire, causing heavy casualties and damage to the communist enemy. The number of casualties inflicted on the communist mangy dogs has not yet been established, but initial estimates indicate heavy casualties.

Anticipating that the genocidal troops of the mangy dogs stationed at San Pedro Del Norte, made fearful and desperate by the harassment of our commands, would call for communist reinforcements, our FDN fighters carried out an intercepting operation to keep the reinforcements from reaching their destination. In this operation, an armored vehicle carrying 30 Marxist lackeys at the service of the FSLN dictatorship was intercepted by our freedom commandos, who hit the target squarely with RPG-7 rocket, blowing it up and killing all its occupants. In its report to this command, the FDN reported no victims to regret.

We wish to report to our Nicaraguan brothers that these two liberating operations were carried out to serve as a lesson and warning to the Marxist guardsmen of the regime, who have increased communist repression in the territory of Las Torres, Somotillo jurisdiction, killing innocent old peoples, women and children.

The FDN hereby warns that anyone participating in genocidal actions of repression shall be justly punished by our people.

With God and patriotism, we shall defeat communism! Operations Command; Nicaraguan Democratic Force. Released at 1400 hours of Thursday, 10 June 1982, somewhere on Nicaragua territory.

CSO: 3010/1705

COUNTRY SECTION

NICARAGUA

BRIEFS

USSR AID--The Soviet Union will send a 100-bed field hospital, a 105-member medical staff of 105, and the necessary medical and technical equipment to assist the flood victims and prevent epidemics. A special Soviet Aeroflot flight will arrive tomorrow at [Managua's] Sandino Airport with 3,000 cotton blankets, 10,000 meters of cotton material, 100 cots, 3 1/2 tons of foodstuffs and 2 tons of medicines donated by the Soviet peace fund. [Text] [PA082250 Managua Domestic Service in Spanish 1800 GMT 8 Jun 82]

SWEDISH VISITOR--Government junta member Sergio Ramirez Mercado met today with (Pierre Soder), member of the Socialist International and leader of the Swedish Social Democratic Labor Party. Ramirez Mercado said that the Swedish Social Democratic Labor Party, headed by Olof Palme, is one of the parties that has most strongly supported the Sandinist revolution within the framework of the Socialist International and in bilateral relations with the Nicaraguan Revolutionary Government. The visiting Swedish Social Democratic leader said that his visit reflects his party's policy decision to maintain good contacts with the Nicaraguan people and is also intended to express the Socialist International's solidarity during the current disastrous situation in Nicaragua that resulted from the heavy rains. From the political viewpoint, his visit reflects the need to maintain international interest in the war and human suffering being experienced in Central America. A Socialist International delegation will visit Nicaragua and Central America in the next few months to observe the truth of the area's situation. The delegates will include former Venezuelan President Carlos Andres Perez; Felipe Gonzalez, secretary of the Spanish Socialist Workers Party; and the Norwegian defense minister. [Text] [PA101938 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Jun 82]

CSO: 3010/1705

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